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Fifty-third session

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Fifth Committee

Summary record of the 3rd meeting
Held at Headquarters, New York, on Monday, 5 October 1998, at 10 a.m.

Chairman: Mr. Abelian ..... (Armenia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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98-81432 (E)

The meeting was called to order at 10 a.m.

Organization of work (A/C.5/53/L.1/Rev.1 and A/C.5/53/L.2/Rev.1)

1. **The Chairman** introduced document A/C.5/53/L.2/Rev.1 containing the revised programme of work of the Fifth Committee, to which the Bureau had made the following changes: on page 7, Monday, 12 October, under agenda item 112, the first report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) should be added; and on page 10, Thursday, 22 October, and Friday, 23 October, the mention of agenda item 145 should be deleted. He pointed out that consideration of the agenda item relating to human resources management could not begin in October because all the relevant reports would not be available. With regard to the consideration of the proposed budget outline for the biennium 2000–2001, the Bureau wished to point out that ACABQ had stated that it would only be able to take up that question and advise the Committee when it had received the latest figures available on rates of exchange and inflation rates.

2. He also drew attention to document A/C.5/53/L.1/Rev.1, which contained revised information on the status of preparedness of documentation. Lastly, he informed the Committee that, in response to the letter which he had addressed to the Under-Secretary-General for General Assembly Affairs and Conference Services concerning the late distribution of documents in the conference room on Friday, 18 September 1998, he had received assurances that efforts would be made to ensure that sufficient time was allowed between the printing of documents and their consideration in meetings. Those responsible for the distribution of documents had been instructed to open the documents booths well in advance of the starting time of meetings.

3. With regard to the request for interpretation services made by the representative of Indonesia on behalf of the Group of 77 and China, he suggested that that request should be communicated directly to the Under-Secretary-General for General Assembly Affairs and Conference Services.

4. **Mr. Atiyanto** (Indonesia), speaking on behalf of the Group of 77 and China, proposed a number of formal, rather than substantive, changes to the Committee's programme of work. On page 19, the subheading "Procurement reform" under agenda item 112 (Review of the efficiency of the administrative and financial functioning of the United Nations) should read "Procurement reform and outsourcing", since outsourcing was the subject of several of the documents to be considered. The note by the Secretary-General on the impact of the implementation of pilot projects on budgetary practices and procedures (A/52/852) should be listed under both agenda item 112 (Review of the efficiency of the administrative and financial functioning of the United Nations) and agenda item 30 (United Nations reform: Measures and proposals). Moreover, the Secretariat should specify what questions would be considered under the heading "Questions related to the programme budget for the biennium 1998–1999" under agenda item 113. Lastly, in view of the Committee's very full timetable, the members of the Group of 77 and China hoped that it would be possible, whenever a meeting ended earlier than expected, to continue to utilize the remaining time and conference services made available to the Committee.

5. **The Chairman** took note of the proposed changes and said that the Secretariat would, at the appropriate time, and in accordance with the instructions received from the Bureau, specify which questions would be considered under agenda item 113.

6. **Mr. Mahmoud** (Comoros), speaking on a point of order, asked that mention should be made in the report of the Committee on Contributions of the request made by the Comoros for an exemption under Article 19 of the Charter of the United Nations. He hoped that the Committee would consider the matter at the current session.

7. **The Chairman** took note of that request and, recalling that Tajikistan had made a similar request, said that the Committee would consider the question during the informal consultations scheduled for the next day.

8. He took it that the Committee approved the work programme set out in document A/C.5/53/L.2/Rev.1.

9. *It was so decided.*

Agenda item 113: Programme budget for the biennium 1998–1999

Development Account (A/52/1009; A/53/7/Add.1)

10. **The Chairman** informed the Committee that it would have before it at a later meeting the report of the Secretary-General on the utilization of the development dividend (A/53/374), which was currently being considered by the Advisory Committee.

11. **Mr. Connor** (Under-Secretary-General for Management) introduced the proposals concerning the Development Account drawn up by the Secretary-General pursuant to the request of the General Assembly in resolution 52/235 (para. 4) and the comments made by delegations and ACABQ. The report of the Secretary-

General could be summed up under four key points: measures to increase productivity were applicable to the whole Secretariat; the measures proposed would be submitted to ACABQ and to the Fifth Committee in connection with the proposed programme budget; the estimates would constitute management targets to attain productivity gains and could be adjusted; productivity gains would be verified before proposals for redeployment of resources were submitted to ACABQ and the Fifth Committee; project proposals would be drawn up once the amount of resources released had been approved and redeployed; ACABQ and the Fifth Committee would have to approve projects in connection with the programme budget.

12. Those proposals were aimed at improving productivity in the Organization. They should enable the Secretariat to streamline and simplify administrative procedures, to derive full benefit from modern technology and to eliminate duplication. As chief administrative officer, the Secretary-General was determined to improve the efficiency and effectiveness of the Organization in order to devote more resources to programme implementation. It was in that spirit that he had proposed the creation of the Development Account, which would serve to finance activities in the economic and social sectors. The Secretariat was convinced that it was possible to work more efficiently without detriment to the quality of services.

13. With regard to viability, only funds released as a result of sustainable savings would be susceptible to redeployment to the Development Account, and resources would be transferred in accordance with a cumulative process until Member States decided otherwise. Similarly, funds deposited in the Account would be utilized on the basis of proposals for activities submitted to Member States. From the budgetary standpoint, the operation would consist in transferring resources from one section to another. The Secretariat hoped that Member States would be in favour of a concept which had already received the support of ACABQ and that they would therefore maintain the amount of the budgetary appropriations. The Member States would control the process and it was they who would have to take the decision to implement it.

14. With reference to the efforts made to enhance the efficiency of the Organization, he said that the Secretariat intended to introduce six major types of measures, as indicated in paragraph 7 of the report of the Secretary-General. Some of the measures were described in detail in annex I. More complete information would be submitted in the proposed programme budget.

15. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the Advisory Committee's report (A/53/7/Add.1), said that it had limited its consideration to policy issues contained in the Secretary-General's report, leaving aside for the moment the annexes and the report on the utilization of the development dividend (A/53/374). The Advisory Committee welcomed the fact that a number of the recommendations contained in its earlier reports had been taken into account.

16. In paragraph 14 the Advisory Committee expressed the opinion that consideration of the reports on the utilization of the development dividend during the biennium 1998–1999 should proceed on an ad hoc basis. In paragraph 4 it reaffirmed that transfer of resources associated with efficiency gains was not a budget reduction exercise. That exercise should not affect the amount of the resources approved by the General Assembly. Lastly, for the sake of clarity the Advisory Committee recommended that section 34 of the programme budget should be entitled "Supplementary development activities" instead of "Development Account".

17. **Mr. Manz** (Austria), speaking on behalf of the European Union, the associated countries Bulgaria, Cyprus, Estonia, Hungary, Lithuania, Poland, Romania, Slovakia and Slovenia, and, in addition, Iceland and Norway, said that the European Union had supported the Secretary-General's proposal to create a dividend for development from the very beginning, and had joined the consensus on the creation of the Development Account. Despite the concerns raised by a number of delegations, the European Union was convinced that it was in the interest of all Member States to adopt the Secretary-General's proposal, since the Development Account was an integral part of the programme for the reform of the Organization.

18. Efficiency savings need not necessarily mean overall cuts in budgets. All programme managers had a responsibility to increase the efficiency of the Organization. It was not acceptable to waive such responsibility for any area or activity. Nevertheless, efficiency measures should not negatively affect mandated activities. The European Union concurred with the Secretary-General's proposal that the General Assembly should verify that productivity gains, once achieved, did not have an adverse impact on programme delivery. Further, the European Union agreed with the modalities for identifying gains and transferring funds, and with the proposal to include in the proposed programme budget information on initiatives to improve productivity and expand development resources. That indication need not be exhaustive or impose constraints on the ability of programme managers to look for efficiency

measures. Overall responsibility for efficiency measures should remain within the purview of the Secretary-General; such measures were not subject to prior approval by the General Assembly.

19. **Mr. Watanabe** (Japan) said that the Committee had been unable to come to an agreement on the Development Account at the resumed session in May 1998, since it had not had sufficient information on such important points as the sustainability and modalities of implementation of the Account. The Secretary-General's report, however, made it clear that productivity improvements meant redeployment of resources, including staffing levels. That seemed natural since more than 70 per cent of the Organization's budget related to human resources costs.

20. According to the Secretary-General's and Advisory Committee's reports, Member States were supposed to be informed of efficiency gains in detail in the first performance report, to be submitted for their approval. They were then also to approve transfer of the corresponding amount to the Development Account. The General Assembly would, however, have no choice but to approve the transfer of the proposed amount, whereas were it informed before the performance report was submitted, it could make other choices regarding the allocation of funds. It would also be good for Member States to be given detailed information in the context of the consideration of the proposed programme budget for the biennium 2000–2001, or at the latest at the start of the biennium, on where the amount of $40 million in productivity gains indicated in the Secretary-General's report came from and where it would be allocated to.

21. His delegation would like the Under-Secretary-General for Management to confirm to the Fifth Committee that no target for efficiency gains had been set for each department. To secure sound and appropriate implementation of the budget, an effort should be made to avoid systematic reductions in all departments, as had already occurred.

22. His delegation was concerned about the possible negative impact of efficiency gains on staffing levels. On the other hand, it endorsed the provisions of paragraph 5, on the scope of the Development Account, and paragraph 18, concerning the Development Account treated as a multi-year project, of the Secretary-General's report. Lastly, he recalled the principle that surpluses accruing from currency fluctuations and recosting for inflation should be returned to Member States in accordance with the Financial Regulations and Rules.

23. **Mr. Kabir** (Bangladesh) said that his delegation attached great importance to the establishment of the Development Account, as an essential element in the reform process. However, it was regrettable that although an amount of $13 million had been transferred under section 34 of the programme budget, no satisfactory guidelines for generating savings and for the use of the Account had been produced. Nevertheless, he thanked the Secretary-General for having sought to present detailed and acceptable proposals, in accordance with General Assembly resolution 52/235.

24. With reference to paragraph 3 of the Secretary-General's report, he wished to know what kind of relationship the Secretariat envisaged between productivity gains directed towards the Development Account and new mandates and activities that might be decided in the future. Further, the major types of efficiency measures, set out in annex I to the report, seemed incompatible with the Secretary-General's wish to achieve productivity gains without affecting the overall level of budgetary resources and the Advisory Committee's recommendation that savings should be applied to the Secretariat as a whole. In that regard he recalled that several delegations had already expressed their concern regarding the pilot project at the Economic Commission for Latin America and the Caribbean (ECLAC) and conference services.

25. On the question of sustainability, the question of how long efficiency gains could be derived remained unanswered. In that regard, he wished to know what the Under-Secretary-General meant by "savings of a lasting nature". He endorsed the observations made by the Advisory Committee in paragraphs 9 and 10 of its report.

26. Noting that it was not the Secretary-General's intention to involuntarily separate staff as a result of the redeployment of resources, he supported the Advisory Committee's recommendation in paragraph 13 of its report that comprehensive information should be supplied on that matter in the context of normal reporting procedures. His delegation agreed with the principles outlined in paragraphs 21 and 22 of the Secretary-General's report on the creation of the Account and performance criteria. Nevertheless, he wished to know how the projects and activities financed by the Account would fit into the medium-term plan and what the basis had been for selection of the three areas identified for use of resources from the Account (para. 23). What the developing countries needed was not greater understanding of the problems posed by globalization, but low-cost, low-technology support. Lastly, his delegation remained flexible on the Advisory Committee's proposal to change the title of section 34 of the programme budget.

27. **Mr. Cho** (Republic of Korea) said that his country had consistently supported the Secretary-General's reform initiatives, in which context he attached particular

importance to the Development Account. Noting that there seemed to be general support among Member States for redeploying efficiency gains to development projects, his delegation hoped that they would be able to reach consensus on that point so that the Development Account could be speedily implemented.

28. As ACABQ had pointed out, the Development Account should not be a budget reduction exercise. On the contrary, it should represent a true saving, rather than the result of underexpenditure due to postponement of activities or inability to carry out approved programmes. In other words, the level and quality of services should not be compromised. In that regard, he recalled paragraph 5 of General Assembly resolution 52/235, which stated that the amount of 200 million dollars suggested by the Secretary-General was an indicative target and that no time-frame should be specified for reaching the target. The same applied to the estimated $40 million productivity improvements for the biennium 2000–2001 mentioned in paragraph 11 of the Secretary-General's report (A/52/1009), concerning which his delegation looked forward to a detailed report by the Secretary-General. His delegation was also mindful of the view expressed by ACABQ in paragraph 10 of document A/53/7/Add.1 that gains from currency fluctuation and inflation would not be available for transfer to the Development Account.

29. His delegation welcomed the proposed efficiency measures contained in annex I of the Secretary-General's report (A/52/1009), as it attached great importance to the simplification of processes. The main thrust of the current United Nations reform was to improve productivity and the simplest way of doing so was to eradicate bureaucratic redundancies whereby, for example, the average time needed to recruit a staff member was 460 days. In addition, programme managers should be given enhanced flexibility so that they could better respond to their operational and staffing needs. His delegation therefore supported the Secretary-General's efforts to delegate more authority to programme managers in the areas of human and financial resources management, although appropriate monitoring procedures and a measure of accountability should obviously be established prior to the delegation of such authority.

30. His delegation supported the Secretary-General's recommendation that funds appropriated for the Development Account should be treated as a multi-year project and that any balance of appropriation for the Account at the end of a biennium should be carried forward to the succeeding biennium. It also agreed that information on unspent balances should be supplied in the context of performance reports. In that connection, it regretted the rather delayed submission by the Secretariat of a plan to use some $13 million appropriated for the Development Account for the biennium 1998–1999, as a result of which the total appropriated amount was not likely to be expended during the current biennium.

31. His delegation endorsed the Secretary-General's recommendation for utilizing the Development Account to assist developing countries to follow-up United Nations conferences and improve the networking of experts in order to promote an enhanced appreciation of global economic and social issues, broaden the benefits of the process of globalization and avoid marginalization of the developing countries, especially the least developed countries.

32. Finally, the establishment of clear performance indicators was a key prerequisite to meaningful evaluation of the achievements of the development process. Those indicators should be project-specific, as proposed by the Secretary-General, and directly linked to the expected results of each project. His delegation also noted the Secretary-General's view that involuntary separation of staff should be avoided to the maximum extent possible, and it therefore hoped that more efforts would be directed to adequate retraining for staff redeployment.

33. **Mr. Connor** (Under-Secretary-General for Management), responding to questions raised by delegations, informed the Japanese representative that the Secretariat intended to provide information concerning efficiency gains in the first budget performance report. Although Japan regarded that timing as too late, only incomplete information could be circulated in advance of the report, as time was needed to draw up details of the intended utilization. In that spirit, ACABQ had approved the modalities proposed by the Secretary-General in paragraphs 9 to 11 of his report (A/52/1009). In reply to the question on the source and utilization of the $20 million arising from the efficiency gains mentioned in the outline of the proposed programme budget for the biennium 2000–2001, the Secretary-General decided which of the savings achieved through efficiency gains should be included in the programme budget proposals, and which of them belonged to programme planning at a later stage, once the necessary checks had been made. It was for the Member States to come to a decision concerning that apportionment on the basis of the information transmitted to them. No definite target had been fixed, although talks with programme directors had provided a general idea of what was feasible. The Secretariat would be in a position to review the possibilities only after considering with the programme directors their proposals for the programme budget and after Member States had approved the budget outline. The question of savings from gains on exchange

would not arise in 1998; on the contrary, losses on exchange would be recorded.

34. Replying to the comments of the representative of Bangladesh, he said that the pilot projects (at the Economic Commission for Latin America and the Caribbean, for example) were simply an experimental tool that would be evaluated before details were presented to Member States. He reaffirmed that no final decision had been taken on the sum to be allocated to the Development Account (the original amount of $20 million having been scrapped) and that it was a matter for Member States to decide. The Secretariat would include information in its budget performance report on the efficiency gains achieved, on redeployment possibilities and on the staff who might be affected.

35. Replying to questions raised by the representative of the Republic of Korea concerning the utilization of resources allocated to the Development Account, he said that it was up to the Under-Secretary-General for Economic and Social Affairs to make proposals after ACABQ had submitted its report.

Agenda item 143: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations:

(a) Financing of the United Nations peacekeeping operations

Support account for peacekeeping operations (A/52/837 and Corr.1 and A/52/982; A/53/418)

Death and disability benefits (A/C.5/53/16)

36. **The Chairman** stated that in resolution 52/248 of 6 June 1998 on the support account for peacekeeping operations, the General Assembly noted that ACABQ intended to report, in September 1998, after completing its post-by-post consideration on the basis of the information provided, on the workload of all posts, in accordance with resolutions 51/243 and 51/239 A, and would welcome the advice of ACABQ, as well as that of the Secretary-General, on the structure of the departments dealing with the backstopping of peacekeeping operations, including issues of coordination and overlap. It was that ACABQ report (A/53/418) which was before the Fifth Committee.

37. On the subject of death and disability benefits, the Committee had before it a note from the Secretary-General containing his quarterly report on the progress made in clearing the backlog of claims awaiting processing for the period from 1 April to 30 June 1998 (A/C.5/53/16).

38. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the ACABQ report (A/53/418), said that since document A/52/837 had been submitted late and was of poor quality the Advisory Committee had not produced an interim report at its spring session, pending receipt of information on which it could base such a report. Pending the post-by-post consideration, the General Assembly had approved 400 of the 469 posts requested by the Secretary-General.

39. The Advisory Committee had noted only very slight improvements in the quality of the information submitted to it. Corrections had been communicated virtually up to the last day of its consideration of the Secretary-General's report. A list of corrections would be found in annex I of the ACABQ report. Furthermore, the information requested by the Fifth Committee had not been available, as the Advisory Committee indicated in the relevant paragraphs of its report.

40. The Advisory Committee now recommended approval of 393 support account posts: 346 posts had been approved for the period ending 30 June 1998, and the Advisory Committee recommended reducing to 47 the net number of additional posts requested by the Secretariat (123 posts). It understood that the almost two-thirds decline in the volume of peacekeeping operations did not necessarily mean that backstopping should immediately undergo a reduction of the same size, and it knew that a large part of backstopping was provided by gratis personnel, whose use the General Assembly had decided should be gradually phased out (the Secretary-General was therefore requesting the conversion of 106 of those posts into support account posts). But the request for 123 additional posts did not seem justified in view of the sizable decline in the volume of peacekeeping operations. As pointed out in several of the paragraphs of its report, the Advisory Committee had reached the conclusion that the rationalization and reorganization of the functions of several Secretariat services would produce other personnel savings and thus cover the work for which the additional posts were requested. It had pointed out, for example, that there were too many small administrative units in the Secretariat, that the planning function had to be reorganized, and that the activities of the Department of Peacekeeping Operations, the Department of Political Affairs, and the Department of Management should be reorganized. When a function had to be added, the redeployment of posts, following an in-depth evaluation, ought to produce additional staff resources. The Advisory Committee had requested that a number of evaluations of that type should be carried out and that the corresponding reports should be submitted under the next proposed budget for the support account.

41. The ACABQ recommendations were not at all arbitrary: it knew, for example, that although military peacekeeping activities had declined the United Nations had been repeatedly requested to perform police and observer tasks. It had therefore recommended approval of the posts requested by the Secretary-General for policing operations. Its recommendations were summarized in paragraph 67 of its report.

42. **Mr. Sklar** (United States of America) said that he shared the Advisory Committee's concern that the Secretariat had again been unable to justify fully its staffing and funding request for the peacekeeping support account. The United Nations peacekeeping function was of great importance to the United States, which was concerned that the peacekeeping support account should support a staff that was both effective and efficient. It was unfortunate that the Advisory Committee and the Fifth Committee were obliged to review the issue without the needed input from the Secretariat. The latter, despite the Fifth Committee's long debate on the support account at the second resumed session in spring 1998, had not carried out a detailed post-by-post review, a review for which his delegation would again call, hoping to engage the highest levels of the Secretariat. The Advisory Committee had done an excellent job with the information available to it, in particular with regard to the redeployment of personnel from non-critical, redundant and duplicative positions to positions that were essential for the support of missions. The concept of redeployment was going to be ever more important as the United Nations focused on fulfilment of its missions and mandates.

43. It was essential to improve coordination between the Department of Peacekeeping Operations, the Department of Political Affairs and the Department of Management. Furthermore, there were several positions critical to the missions that could benefit from additional redeployments, and the Secretariat must regard the Department of Management, the Office of Human Resources Management and the Department of Political Affairs as sources for such redeployments. All those departments provided support for peacekeeping operations on the ground and must be examined for redundant and duplicative positions. His delegation did not wish to engage in micromanagement, but it trusted that the Secretariat would submit detailed redeployment proposals. In its view, civilian police and military positions must be filled with suitably qualified candidates, and it would keep a watchful eye on that situation. The objectives with regard to peacekeeping support operations should be to staff all critical military positions with skilled serving military officers, to hold the total staffing level to the ACABQ recommendation of 393 peacekeeping support account positions, to hold the total funding to the $34.2 million budget level agreed upon in spring 1998, and to use redeployment effectively in order to accomplish the first three objectives. More than 14,000 people were deployed around the world in order to keep the peace and carry out very important tasks. Their welfare and quite possibly their lives were dependent upon sufficient support.

44. **Mr. Kabir** (Bangladesh) said that, since the question of compensation in case of death or disability had not been discussed, he wished to know whether the Committee would discuss the issue at a later date.

45. **The Chairman** said that the Committee would discuss that question at its next meeting, once the relevant agenda item had been introduced.

Agenda item 112: Review of the efficiency of the administrative and financial functioning of the United Nations

Agenda Item 119: Human resources management

Gratis personnel provided by Governments and other entities (A/C.5/52/54/Rev.1 and A/C.5/52/56; A/53/417)

46. **Mr. Wortel** (Director, Operational Services Division, Office of Human Resources Management), speaking on behalf of the Assistant Secretary-General for Human Resources Management, introduced the report of the Secretary-General (A/C.5/52/56) submitted in response to General Assembly resolution 51/243, in which the Secretary-General had been requested to report on a quarterly basis on the acceptance of gratis personnel. That report, the fourth submitted by the Secretary-General pursuant to the aforementioned resolution, covered the period from 1 April through 30 June 1998. During that period, 14 new type II gratis personnel had started their service while 85 type II gratis personnel had concluded their assignments, resulting in a net decrease of 71 (from 246 to 175).

47. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the ACABQ report on acceptance of gratis personnel (A/53/417), said that the Advisory Committee still thought that the information provided in the quarterly reports was not strictly in accordance with General Assembly resolution 51/243. It appeared that gratis personnel had been accepted because the Secretariat found it impossible to recruit staff quickly, or that the posts had not been requested and therefore not approved. The Advisory Committee did understand that the Secretariat was in a period of transition in that respect, since it was required to phase out the use of

gratis personnel, pending the General Assembly's approval of new posts (for example, the 106 posts whose conversion into support account posts had been mentioned earlier), but it recommended that in his future quarterly reports the Secretary-General should clearly demonstrate the acceptance of gratis personnel in strict accordance with the provisions of paragraphs 4 (a) and 4 (b) of resolution 51/243 and should supply the additional information requested in paragraph 9 of the ACABQ report.

Other Matters

48. **Ms. Incera** (Costa Rica) said that she regretted having to complain yet again about the security services outside and inside Organization premises. She wished above all to stress that the measures taken by the New York City Police, which sometimes failed to respect the positions held by members of delegations, were excessive. With regard to the internal security of Organization premises, her delegation, while recognizing that it might be necessary to strengthen protective measures for some dignitaries, considered that such measures should not, under any circumstances, prevent other dignitaries and official representatives from carrying out their duties, since no Member State took precedence over the others.

49. To be specific, elevators had been immobilized and access to the second floor restricted, hindering bilateral consultations; certain dignitaries, including the Minister for Foreign Affairs of Costa Rica, had been forced to leave through the garage rather than through the delegates' exit; delegations had been unable to use First Avenue for vehicular traffic even after the general debate had been concluded; the cash dispensers on the first floor could not be accessed by delegation members; and the inspections introduced at the entry of the Delegates' Lounge had constituted a further assault on the dignity of the representatives of developing countries.

50. Her delegation considered that the current Chief of the Security and Safety Service had not treated the representatives of Member States courteously. The United Nations Security and Safety Service was expected to comply with the basic rules of protocol and the principle of the sovereign equality of States, and to ensure that all representatives were treated equally. Her delegation intended to support the adoption of a resolution that would end such abuse.

51. **Mr. Darwish** (Egypt) said that in a circular addressed to all delegations, the Administration had indicated that pursuant to an agreement with the host country, members of delegations with United Nations parking permits would be allowed to park their vehicles on First Avenue between 51st and 57th Streets. Nevertheless, several vehicles displaying the United Nations decal and parked within the authorized zone had been towed away. His delegation wished to know how the aforementioned arrangements had been concluded between the United Nations Administration and the host country authorities, whether changes had been made after the arrangements had been finalized, and, if that were the case, why delegations had not been informed of such changes.

52. **Mr. Atiyanto** (Indonesia) said that only one official meeting had been devoted to agenda items 112 and 113 and that two new matters had been placed on the programme of work under those items — the 1998–1999 joint UNCTAD-WTO International Trade Centre budget, and the savings resulting from the efficiency measures adopted by the Centre. He hoped that those two questions would be included in the programme of work for the Wednesday, 7 October meeting, in order to allow the Group of 77 and China to develop a joint position thereon.

53. **The Chairman** said that, if there were no objections, he would agree to the request made by the representative of Indonesia. He had noted the concerns expressed with regard to security measures, and said that the remarks made on the subject of the internal security measures taken inside United Nations premises would be communicated to the Security and Safety Service at Headquarters, which would be asked to give explanations. He stressed that measures taken outside the premises were the responsibility, not of the Secretariat, but of the Committee on Relations with the Host Country. The delegations concerned were invited to raise the problems which they had encountered with that Committee.

54. **Mr. Sial** (Pakistan) said that at the previous meeting devoted to organizational matters, his delegation had remarked that several documents prepared by the Secretariat did not conform to the provisions of General Assembly resolution 52/214 B, whereby the General Assembly had, in paragraph 24, specified that reports should include certain elements and, in paragraph 25, decided that all documents submitted to legislative bodies for consideration and action should have conclusions and recommendations in bold print. He further noted that his delegation had complained on several occasions that documents either had not been published or had appeared late. The report on the support account had been distributed that very day and the definitive version of the two resolutions adopted in June 1998 was still not available at the document distribution desk or on the optical disk. He wished to have an explanation of the delays.

55. **The Chairman** said that he had taken note of the remarks made by the representative of Pakistan, which he would transmit to the Department of General Assembly Affairs and Conference Services, requesting an explanation.

The meeting rose at 11.35 a.m.

United Nations A/C.5/53/SR.4

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Summary record of the 4th meeting
Held at Headquarters, New York, on Tuesday, 6 October 1998, at 3 p.m.

Chairman: Mr. Abelian ..... (Armenia)
later: Mr. Armitage (Vice-Chairman) ..... (Australia)
later: Mr. Abelian (Chairman) ..... (Armenia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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98-81468 (E)

The meeting was called to order at 3 p.m.

Agenda item 115: Improving the financial situation of the United Nations

1. **Mr. Connor** (Under-Secretary-General for Management) said that the financial state of the Organization was precarious. The United Nations was forced to resort to financial practices which were imprudent. There was little flexibility; liquidity was drying up. Unpaid assessments amounted to over $2.5 billion. Regular budget cash was now in deficit, primarily because of late and unpaid dues. Peacekeeping cash was steadily declining, and a significant portion would be cross-borrowed by the end of the year to bail out the regular budget cash deficit. Total combined cash could fall to a low of $528 million by year's end. Cash left in the peacekeeping accounts was needed to pay ongoing peacekeeping expenditures through the mandate period, and little if any balance would be left to pay the over $860 million in debt owed to Member States for troops and equipment. In short, assessments had not been fully paid; cash was down; and obligations exceeded cash balances. With a decreasing level of peacekeeping activity, the future availability of peacekeeping cash to bail out the regular budget cash deficit was increasingly uncertain.

2. The prompt collection of assessments was the bedrock of United Nations financial stability. At the end of September 1998, unpaid assessments aggregated over $2.5 billion: $683 million for the regular budget, over $1.8 billion for peacekeeping operations and $22 million for the international tribunals. Excluding amounts due within the 30-day period, the major contributor accounted for 67 per cent of the total amount owed; 9 of the 14 other largest contributors accounted for 14 per cent, and the remaining 158 Member States accounted for 19 per cent. The amount owed on 30 September 1998 was unusually high. It resulted in part from the major contributor not paying by that date some amounts which had been legislated for payment in its fiscal year beginning 1 October 1997.

3. At 30 September 1998, the largest contributor owed 82 per cent of the regular budget aggregate amounts. One of the next 14 principal contributors had outstanding regular budget contributions amounting to 5 per cent of the unpaid aggregate. Of the remaining 170 Member States, 83 owed 13 per cent of the total. Unpaid peacekeeping assessments had risen steadily since 1990, despite a significant decrease in the level of peacekeeping activity. Total outstanding peacekeeping amounts at the end of September amounted to over $1.7 billion, excluding $101 million of recent assessments within the 30-day period. At 30 September 1998, the largest contributor owed 61 per cent of total outstanding peacekeeping assessments, 9 of the 14 other largest contributors owed 17 per cent and 158 of the remaining 170 Member States together owed 22 per cent.

4. As at 30 September 1998, 100 Member States had paid their regular budget contributions in full for 1998 and for all prior years, a continuing improvement over previous years. However, as of that date, the United Nations had received in 1998 regular budget payments of $877 million for current-year and prior-years assessments. The amount collected in 1998 in respect of current-year assessments was only $727 million, or 67 per cent of the total. At 30 September 1998, $731 million in aggregate contributions had been made by the 15 largest contributing Member States and $146 million by all others.

5. There was a very erratic pattern of regular budget cash balances in 1998. At the beginning of 1998, there had been a deficit of $122 million, despite a budgetary underspend in 1996–1997 which had moderated the amount of negative cash balances at the end of 1997. Cash inflows from timely payments of 1998 assessments had permitted the repayment of amounts borrowed from peacekeeping funds and had eliminated the negative regular budget cash deficit by the end of January 1998. A continuing stream of regular budget receipts had made possible to stay in a positive cash position until August, when it had been necessary to borrow from peacekeeping funds. In September, the payment by Japan of the balance of its regular budget contribution had made it possible to repay borrowed peacekeeping funds and end the month of September in a positive cash position. However, as a result of the uncertainty of receiving payments from the United States of America, it was projected that it would be necessary to cross-borrow from peacekeeping cash to fund the regular budget cash needs during the last quarter of the year.

6. Several Member States had indicated that they would make payments to the regular budget in the last quarter of 1998. However, the United States of America had informed the Secretariat that enabling national legislation had not yet been fully enacted, and that it could not give an assurance that all the payments it hoped to make by 31 December 1998 would in fact be made. Therefore, those amounts had not been included in cash forecasting. On that basis, it was estimated that regular budget cash at the end of the year would be in a deficit position of $247 million. That projection continued the trend of increasing deficits which had begun in 1994.

7. During the years 1991 to 1994 and 1996 and 1997, the United States of America had paid on average an amount

slightly in excess of regular budget assessments in the aggregate for that period; by contrast, it had paid only 48 per cent in 1995. Without a payment to compensate for that shortfall, the United Nations would be in a deficit regular budget cash position at the end of each future year, and would face a recurring need to cross-borrow.

8. Usable peacekeeping cash at the end of September had totalled $844 million and was expected to drop to $775 million by the end of the year. Overall, it was projected that total peacekeeping disbursements would exceed peacekeeping contributions in 1998, reflecting a reduction in assessment amounts resulting from the application of accumulated credits in respect of the unencumbered balances of peacekeeping missions. Moreover, expenditures under the liquidation phase of several peacekeeping missions were not balanced by the collection of corresponding assessments. There had been a sharp reduction since 1994 and 1995 in the level of peacekeeping activity. The unavoidable corollary was that peacekeeping cash had diminished and would continue to do so.

9. For each of the most recent years, the amount of combined regular budget and peacekeeping cash had been less than that of the year before. It was projected that at the end of 1998, combined cash would total $528 million, based on regular budget cash of negative $247 million and peacekeeping positive balances of $775 million. By the end of December, it would be necessary to cross-borrow 32 per cent of peacekeeping cash to cover the deficit in the regular budget cash, leading to a further decline in liquidity. The future availability of peacekeeping cash for cross-borrowing was increasingly in doubt.

10. It was estimated that at the end of 1998, $864 million would be owed to troop- and equipment-contributing countries. It was envisaged that the total reimbursement figure for 1998 would reach $179 million. In accordance with the Secretary-General's goal of paying the full amount of obligations incurred by the Organization during the year in which those obligations were incurred, every effort was being made to pay 1998 incurred costs. Obligations for 1998 for troops were expected to total $162 million, and payments amounting to $164 million would be made for troop- and contingent-owned equipment. Arrearage contributions of $15 million had been received from Member States and would be used to make an additional reimbursement payment. Even so, the Organization's debt remained high. The current level of troop and equipment obligations could not be paid until peacekeeping assessments long in arrears were received by the Organization.

11. He was frequently asked how long the current situation could continue. It could be said that the situation would continue so long as there was peacekeeping cash to cross-borrow; and so long as Members tolerated the non-payment of debt that was owed them.

12. Article 19 of the Charter applied to all assessed contributions. The current practice with regard to the application of Article 19 involved a single annual calculation towards the end of each year for the following year, comparing the total of unpaid contributions that were due and payable by the end of that year with the total gross assessments that became due and payable during the preceding two years. Assessments issued in December, whose 30-day due date period fell in the following year, were not included for that purpose. The loss of voting rights in the General Assembly under Article 19 was automatic, unless the General Assembly specifically decided to grant an exemption or until the minimum necessary payment had been received. In late November or early December, the Secretariat alerted those Member States which were in danger of falling under Article 19 in the following year; before the first meeting of the General Assembly in the new year, the Secretary-General officially notified the President of the General Assembly as to those Member States falling under Article 19. In 1998, 39 Member States had been listed in the official notification letter and a smaller number in succeeding notification documents. The notification letter did not list Member States (3 at the beginning of 1998) exempted by action of the General Assembly from Article 19. It was impossible to make final calculations for the application of Article 19 until the exact figures for assessments issued or to be issued by the end of November was known.

13. **Mr. Atiyanto** (Indonesia), speaking on behalf of the Group of 77 and China, said that, as stressed by the Ministers for Foreign Affairs of the Group of 77 and China at their twenty-second annual meeting, the primary cause of the Organization's financial difficulties was the failure on the part of certain developed countries to pay their assessed contributions to the regular and peacekeeping operation budgets in full, on time and without conditions. The countries he represented recognized, however, the need to extend sympathetic understanding to Member States who were temporarily unable to meet their financial obligations as a consequence of genuine economic difficulties.

14. They noted with regret that the continuing cash flow deficit in the regular budget had made it necessary for the Secretariat to resort to internal cross-borrowing from the peacekeeping budgets. Late reimbursement to developing countries that provided troops and equipment to various

peacekeeping operations continued to be a matter of concern to the Group.

15. **Ms. López** (Philippines), speaking on behalf of the States members of the Association of South-East Nations (ASEAN), said that those States fully supported the statement made by the representative of Indonesia on behalf of the Group of 77 and China. ASEAN was concerned that the continuing financial situation was crippling the Organization's capacity to implement fully, efficiently and effectively the programmes and activities mandated by the Member States. The financial crisis of the Organization was due to the late payment or non-payment by some Member States, particularly the major contributor, of their assessed contributions. The members of ASEAN did not share the view expressed by others that the scale of assessments had made it impossible for some Member States to fulfil their legal financial obligations to the United Nations. Despite their current economic difficulties, the South-East Asian had taken their Charter obligations seriously by trying to pay their assessed dues promptly. They expected others with higher payment capacity to exert greater efforts in paying their dues.

16. The ASEAN nations regretted that the United Nations had had to borrow from peacekeeping funds to finance regular budget activities, a situation which had delayed reimbursement to troop-contributing countries from the developing world. The practice of imposing conditions for payment of assessed dues was unacceptable and should not be allowed to continue. It was regrettable that, after three years of deliberations, the High-Level Open-Ended Working Group on the Financial Situation of the United Nations had been unable to recommend measures that would restore the financial health of the Organization and ensure compliance by Member States with their Charter obligations. Proposals that would encourage Member States to pay their dues promptly deserved further consideration. However, ASEAN continued to believe that the only effective way to resolve the problem was through the early settlement of arrears and timely payment of assessed contributions.

17. **Mr. Kamal** (Pakistan), expressing his country's concern over the deteriorating financial situation of the Organization, said that the acceptance by the Secretariat of personnel on loan had led to a perceived contravention of Articles 100 and 101 of the Charter and a serious geographical imbalance in some parts of the Secretariat. The practice of cross-borrowing from the peacekeeping budgets was also a matter of concern. Ironically, those Member States who had responded to the call of the United Nations to maintain international peace and security were virtually having to pay for the non-fulfilment of Charter obligations by other Member States, in particular by a major contributor.

18. His delegation wondered for how long the developing countries would be required to finance the Organization on behalf of those who had the capacity to pay but were not paying their assessed contributions in full, on time and without conditions. The response of the Under-Secretary-General for Management to the question was depressing, certainly for those who were owed so much by so few.

19. His delegation had suggested earlier that the Fifth Committee should consider the financial situation of the United Nations in all its aspects with a view to finding a solution to the problem. The High-Level Open-Ended Working Group on the Financial Situation of the United Nations had not lived up to expectations; it was to be hoped that the Fifth Committee would succeed where the Working Group had failed. The Committee had already taken a step forward by requesting the Secretary-General to submit a report on incentives for those Member States which were current in the payment of their assessed contributions. It should also recommend that the application of Article 19 should be reviewed with the aim of rendering it more effective.

20. The financial situation of the United Nations could not be isolated from the serious financial crisis currently affecting the world. The United Nations must adopt an innovative approach in addressing the alarming situation, particularly as evidenced in the recent trends towards economic recession in South-East Asia, Latin America, the economies in transition and some least developed countries. The financial situation of the United Nations should in no way deprive it of its role in shaping the new global financial architecture. It was the collective responsibility of all members to provide the Organization with the resources it needed in order to do so.

21. **Mr. Sychou** (Belarus) said that the financial difficulties of the United Nations had an adverse effect on the Organization's ability to carry out approved programmes and undermined the reform process. The financial crisis was at risk of becoming permanent, and, as a result, a technical problem was increasingly turning into a political problem, which could undermine the foundations of the Organization. The existing mechanism for resolving the financial problems of the United Nations was conservative and ineffective; concrete measures needed to be taken on the basis of the numerous proposals submitted by experts, including those made within the High-Level Open-Ended Working Group on the Financial Situation of the United Nations.

22. The basic reason for the financial crisis was the increase in the scale of activity of the Organization, and accompanying substantial increase in expenditure, along with the non-payment of contributions on time and in full, especially by the largest contributors. His delegation welcomed the positive steps which had been taken to reform the scale of assessments, as well as the efforts of the Secretary-General to stabilize the financial situation, reduce administrative costs and improve human resources management. In that connection, it believed that the establishment of the revolving credit fund would deprive the General Assembly of control over the resources of the Organization, and would result in an increase in total arrears. It also felt that the proposed changes in the procedure for the application of Article 19 of the Charter would not lead to positive results. Financial reform must have the support of all Member States. An important step was to develop a new methodology for the scale of assessments, on the basis of the principle of capacity to pay.

23. To resolve the current crisis, assessed contributions must be paid in a timely manner. At the same time, all Member States should seek ways to liquidate the arrears of each individual Member State, taking into account any special circumstances. In the case of Belarus, its debts had arisen because of circumstances beyond its control. The steep increase in its assessed contribution at a time of severe economic difficulties during the transition period had led to the accumulation of huge arrears. Despite the adoption of decisions 48/472 and 49/470, the General Assembly had not approved adequate measures to resolve the situation. Belarus was doing everything possible to reduce its arrears. In 1997, it had paid over $6 million to the regular budget, and it was planning to pay $2.5 million by the end of 1998.

24. **Mr. Sucharipa** (Austria), speaking on behalf of the European Union, the associate countries of Bulgaria, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and in addition, Iceland, Liechtenstein and Norway, said he regretted to hear that for the fourth consecutive year, the Organization would only be able to sustain regular budget activities through cross-borrowing, a practice clearly very detrimental to troop and equipment contributors. Moreover, it was of concern that cross-borrowing might cease to be a cash-management option, given the decline in peacekeeping activity.

25. That some Member States had not met their treaty obligations promptly, in full and without conditions was unacceptable. Non-payment by major contributors had an especially big impact on the financial situation. The United States, as the largest contributor to the United Nations, a permanent member of the Security Council and the sole beneficiary of the existence of a ceiling which reduced the level of its assessment below its capacity to pay, should bear in mind its responsibility for the financial health of the Organization.

26. The General Assembly had acknowledged that the assessments of some Member States did not reflect their real capacity to pay and had eliminated the floor, thereby remedying some situations deemed to be unfair. The European Union hoped that that step would enable countries to meet their Charter obligations or, where appropriate, to propose a schedule for the payment of their arrears. The European Union had joined the consensus on a compromise proposal because it allowed for more fairness and transparency in the regular budget scale, which should help improve the financial situation of the Organization.

27. The European Union was firmly committed to finding solutions to the Organization's financial situation. Therefore, it felt that its proposal to introduce incentives/disincentives designed to expedite the fulfilment of obligations deserved further consideration. Also, it invited Member States to address the question of tightening the application of Article 19, currently the sole disincentive envisaged by the Charter. Finally, the States concerned wished to reiterate their proposal to revise the peacekeeping scale. The current arrangements for apportioning the costs of peacekeeping operations needed to be amended in order better to reflect the fundamental principle of capacity to pay.

28. **Mr. Shervani** (India), expressing his Government's concern regarding the severe financial crisis of the United Nations, stressed that while it was important for the Organization to devote greater resources to economic and social development, its peacekeeping budget also needed to be financed in full and on time. It was unfortunate that the High-Level Open-Ended Working Group on the Financial Situation of the United Nations had achieved no results even after prolonged negotiations, and that the United Nations had had to resort to cross-borrowing from peacekeeping funds in order to cover regular budget deficits.

29. As a country with a consistent record of paying its dues in full and on time, and one to which the United Nations owed around US$ 47.3 million in arrears (essentially reimbursements for its participation in peacekeeping operations), India called upon Member States that were in arrears to pay their contributions in full, on time and without conditions. The question of apportionment of expenses, scales of assessments and related matters was best discussed in a time of financial solvency. Discussions on those issues could not solve the present crisis, which had been caused by

a lack of political will to bear the responsibilities and obligations envisaged in the Charter.

30. His delegation also called on the Organization to make reimbursements to troop contributors on a time-bound basis, with priority for troop-contributing developing countries. The Organization should work on arrangements that would lead to the clearing of the financial backlog and ensure a smooth flow of funds in the future.

31. **Mr. Shen Guofang** (China) said that his delegation fully supported the statement made by the representative of Indonesia on behalf of the Group of 77 and China. He wished to stress two points. Firstly, the financial crisis of the United Nations had been caused mainly by the late payment or non-payment of assessments by Member States. In particular, the United States, using the excuse of its domestic legislation and disregarding the Charter and the relevant regulations, had accumulated colossal sums of arrears over a long period of time, as a result not of economic difficulties, but of its desire to achieve certain political objectives. The United States should abide by the Financial Regulations of the United Nations and pay its arrears in full, on time and without conditions. Secondly, the financial crisis had already hindered the normal functioning of the United Nations, causing certain activities to be delayed and certain programmes to be affected. His delegation was deeply concerned about the situation.

32. The year 2000 was approaching. The Organization must have a solid and stable financial base if it was to function more effectively and achieve the aspirations of Member States. That could only happen if all Member States had the political will to meet their financial obligations.

33. **Mr. Pappalardo** (Paraguay) announced that despite its own financial difficulties, his Government had paid its 1998 contribution to the United Nations regular budget in full.

34. **Mr. Watanabe** (Japan) drew attention to chart 33 of the informal document circulated by the Under-Secretary-General for Management which attempted to answer the question "How long can the present situation continue?"The chart offered two answers to that question. In the view of his delegation, there was a third reply, namely: "So long as the largest contributor continues to pay at least the same amount of its contributions for 1997." If that contributor did not pay, the financial situation of the United Nations would worsen. He asked for confirmation on that point from the Under-Secretary-General.

35. **Mr. Dobe-Mbalanga** (Democratic Republic of the Congo) said that his delegation endorsed the statement made by the representative of Indonesia on behalf of the Group of 77 and China. His delegation found it particularly regrettable that the Organization should have to resort to borrowing from the peacekeeping account in order to cover the deficit. The reforms initiated by the Secretary-General in 1997 to strengthen the role of the United Nations in promoting development could not be fully put into effect if the Organization did not have a reliable financial base. His Government appealed to all Member States to meet their financial obligations in full and on time and to cease imposing conditions that ran counter to the pertinent provisions of the Charter. His Government was striving to keep its contributions at an acceptable level, despite the tremendous economic difficulties it was facing.

36. **Mr. Sklar** (United States of America) said that the United States recognized its obligation to pay the funds due the Organization under its treaty. His Government was making every effort to ensure that its arrears would be paid as soon and as fully as possible. The representative of China had said that the United States had not paid its arrears because of a domestic problem. That problem did exist, and it was called the rule of law. In the United States, appropriations had to be voted by the Congress and signed by the President before the money could be spent.

37. In addressing the financial crisis, it was important not to take an alarmist position and shout, like "Chicken Little" in the children's fairy tale, that "the sky is falling". His delegation fully expected that the $197 million that the Under-Secretary-General had correctly characterized as not yet voted would, in fact, be voted by the United States Congress within the next week and be paid by year's end. It would therefore be useful to look at the charts circulated by the Under-Secretary-General in that context. According to chart 20, which showed the regular budget usable cash balance, if the US$ 197 million which his Government fully expected to pay by year's end was taken into account, the expected shortfall for 1998 would be reduced to US$ 50 million. In fact, the United Nations would show a better usable cash balance in 1998 than it had in the recent past. In charts 24, 25 and 26, assuming that the US$ 197 million would be paid by December, the combined cash balance would rise to US$ 725 million, a number that was consistent with the figures for the last four years. The situation, therefore, was stable and was not deteriorating.

38. Responding to the comment made by the representative of Japan in connection with chart 33, he said he agreed that the Organization was dependent upon three things for its stability; in fact, that stability had allowed it to do a number of things. Concerning the problem of payments to countries that had contributed to peacekeeping operations, he pointed

out that it was only half-true that they were not being paid. Peacekeepers were currently being paid on a regular basis and in full for their services; it was the past that was the problem.

39. He wished to stress that the regular budget was being fully funded, and mandates were being carried out. Although it would be desirable to have a higher year-end cash balance and to eliminate cross-borrowing, the cash balance had not been dropping. Programmes were not being delayed. The Committee should deal with the facts; claiming there was a crisis when one did not exist would only detract from a problem that was real.

40. **Ms. Buergo-Rodríguez** (Cuba) said that her delegation endorsed the statement made by the representative of Indonesia on behalf of the Group of 77 and China. Her Government had, in the course of the current year, made significant payments to the regular budget, as well as to peacekeeping operations. Thus, it had considerably reduced its arrears, despite the difficult circumstances it was experiencing. The fundamental cause of the critical situation of the Organization was the failure of the main contributor to pay its dues in full, on time and without conditions.

41. **Mr. Connor** (Under-Secretary-General for Management), referring to the point raised by the representative of Japan, said that until the underpayment by the major contributor was corrected by an overpayment in some subsequent year, the United Nations would always have a negative regular budget cash position at the end of the year. The only other way that situation might change would be if there was an expansion in the aggregate amount of assessments voted by Member States above the present level, which had largely remained the same since 1995.

42. Turning to the comments made by the representative of the United States, he said that the amount of US$ 197 million expected to be paid by the United States by year's end must be viewed within the framework of a total appropriation which was about the same as that paid in 1997. If that amount was paid by 31 December, there would be an element of catch-up to the extent of about half of that amount. Therefore, he and his staff had prepared the forecast using specific ground rules, and he certainly hoped that a forecast presented on that basis would encourage Member States to fund and pay their assessments on time.

Agenda item 113: programme budget for the biennium 1998–1999 (*continued*)

Development account (A/52/1009; A/53/7/Add.1)

43. **Mr. Atiyanto** (Indonesia), speaking on behalf of the Group of 77 and China, said that, although the reports under consideration (A/52/1009 and A/53/7/Add.1) reflected some of the Group's previous comments, parts of them were somewhat cryptic, especially with regard to the sustainability of the Development Account. It seemed that sustainability was to be achieved not only through savings, as originally envisaged, but also through the appropriation process, so that part of the onus would be borne by Member States. Since that idea deviated from the concept previously approved by the General Assembly, the Secretariat should provide some clarification.

44. He noted that the Secretariat had dropped the concept of non-programme costs, acknowledging instead that efficiency measures and productivity gains should be sought in all Secretariat activities, though without affecting the full implementation of mandated programmes. The originally proposed target of $200 million had also been dropped in favour of the idea that Member States should determine the ultimate level of the Development Account and the time-frame for achieving it.

45. It remained to be seen whether efficiency measures could reduce costs without negatively affecting the level and quality of Secretariat services. The Development Account should be used only to fund development projects and activities for developing countries and should complement, rather than replace, existing development activities. He was concerned about the inevitable impact of the proposed efficiency measures on the number of posts, considering that staff costs accounted for 70 to 80 per cent of the budget. He would like information on the areas to be affected and the number of posts to be abolished. He was also concerned about the idea that productivity gains should be submitted to the General Assembly for approval only in the context of the performance report, after the efficiency measures had already been implemented. Instead, the Secretariat should submit, every six months, a report on the impact of efficiency measures on the implementation of mandated programmes and activities after those measures had been approved by the Assembly. Lastly, he regretted that the Advisory Committee had been unable to consider the annexes to document A/52/1009, which concerned specific types of efficiency measures, and looked forward to receiving the Advisory Committee's comments.

46. *Mr. Armitage (Australia), Vice-Chairman, took the Chair.*

47. **Mr. Herrera** (Mexico) said that the Development Account was a crucial element of the Organization's reform process. He understood, from paragraph 4 of the Secretary-General's report, that the Development Account would be financed with the savings achieved as a result of productivity gains and that, as indicated in paragraph 5 of the Advisory Committee's report, such savings would come from all areas of the Secretariat. However, with respect to sustainability, he would like more information, preferably in the form of a clear example, on how the sustainability mechanism described in paragraph 6 of the Secretary-General's report would work.

48. He agreed with the proposal, contained in paragraph 18 of the Secretary-General's report, that any balance left in the Account at the end of a biennium should be carried forward to the succeeding biennium. Lastly, while the Fifth Committee could certainly state its views on paragraph 5 of the report, he felt that, in accordance with the spirit of General Assembly resolution 52/235, paragraph 6, other intergovernmental bodies should determine how the Development Account should be used.

49. **Ms. Buergo-Rodríguez** (Cuba) said that she fully supported the statement made by the Indonesian delegation on behalf of the Group of 77 and China. She, too, felt that the *ex post facto* reporting of efficiency measures and estimated savings to the General Assembly in the context of the performance report would be inappropriate. Instead, the General Assembly should be informed of such measures in advance, in the context of the budget outline. Paragraph 11 of document A/52/1009 indicated that the estimated savings to be achieved through productivity improvements in the next biennium would amount to $40 million; she asked for a breakdown of that figure. Since it had been recognized that efficiency measures would have a negative impact on staffing levels, she asked how many posts were to be abolished and what departments would be affected. The report had not provided all the details requested in General Assembly resolution 52/235, paragraph 4, such as an analysis of the impact of efficiency measures on the delivery of mandated programmes and activities and estimates of the possible savings to be achieved.

50. **Mr. Lozinski** (Russian Federation) said that his delegation felt that the mechanism for the operation of the Development Account had not yet been sufficiently worked out and agreed upon. It was necessary to clarify the situation with regard to the sustainability of the Account, which would be directly linked with measures to achieve savings in the expenditure of the resources allocated by Member States, while maintaining effectiveness. His delegation supported the Advisory Committee's view that neither gains from currency fluctuation and inflation nor savings resulting from the postponement of activities and programmes should be transferred to the Account. The Financial Rules and Regulations of the United Nations must be strictly observed.

51. The question of the funding of the Development Account also needed to be clarified. No hasty decisions should be taken. It would be far more logical to consider that question in the context of the performance reports, which would show the level of efficiency gains. The General Assembly could then decide what amounts were to be transferred to the Account. The Secretariat should provide a clear indication of the relationship of the Account to the total budget of the Organization, and specifically, how resources remaining in the Account would affect the level of the next budget.

52. Although in the current programme budget the Development Account was included in section 34, his delegation saw no good reason to create a separate section for the Account in subsequent programme budgets, particularly since the Account would be of a subsidiary nature within the framework of overall development activities.

53. Unfortunately there was no information on a possible system of control and auditing of the disbursement of resources from the Development Account. In view of the special nature of the Account, it would be advisable to take a decision on that question ahead of time.

54. *Mr. Abelian (Armenia) resumed the Chair.*

55. **Mr. Nakechbandi** (Syrian Arab Republic) expressed his delegation's support for the statement delivered by the Indonesian representative on behalf of the Group of 77 and China and said in connection with the Secretary-General's report on the Development Account (A/52/1009) that he valued the efforts of the Secretariat to respond to the requirements of General Assembly resolution 52/235. Noting, however, that the Secretary-General placed great reliance on reducing the use of hard copy and modernizing departmental and secretarial functions, he said that it remained unclear how the Secretariat viewed costs, such as those for conference and information services, which the Secretary-General might have previously regarded as non-programme costs. The Secretary-General also sought to enhance conference services support for meetings and documentation, using new technology and work methods. In that context, the Committee had requested circulation in the General Assembly of any studies produced on increased

use of distance translation at international conferences. The use of modern technology was welcome, but its potential impact on performance standards in written and oral translation was disturbing. Even more disturbing was the fact that it could ultimately lead to the redundancy of translation, in which connection he drew attention to the statement contained in the report of the Secretary-General on multilingualism (A/52/577) that use of the official languages promoted respect for the Organization's linguistic and cultural diversity. As for the electronic circulation of documents, he hoped that the Under-Secretary-General for Management would shortly provide further clarification on the subject.

56. In regard to efficiency measures, he said that the achievement of savings was not an end in itself, the first priority being to ensure optimum implementation of programmes and mandates as prescribed in General Assembly resolutions and in accordance with the medium-term plan. In the light of paragraph 3 of the report of the Secretary-General on the Development Account (A/52/1009), the impact of efficiency measures and savings on staffing levels was still not at all clear. He therefore supported the ACABQ recommendation that the Secretariat should provide comprehensive information on the matter in the context of the proposed programme budget and the performance reports (A/53/7/Add.1, para.13).

57. **Ms. Chen Yue** (China) said it should be borne in mind that the savings achieved through efficiency measures would not be limitless. In the long run, it would prove difficult to rely on such savings to fund the Development Account. The Secretariat should conduct a comprehensive and in-depth study on the sustainability of the Development Account to ensure that it could truly benefit the Organization's development activities. Efficiency measures should not be limited to certain departments or activities, nor should a fixed figure for savings be established, as mandated programmes and activities must not be sacrificed.

58. **Mr. Odaga-Jalomayo** (Uganda) said he agreed that savings should be sought throughout the Secretariat. However, General Assembly resolution 52/220, paragraph 70, had indicated that any savings realized as a result of efficiency gains from within the Economic Commission for Africa (ECA) should be redeployed to the subregional centres, yet paragraph 7 of the Secretary-General's report indicated that the regional commissions were involved in developing efficiency measures that would result in the transfer of funds to the Development Account. He therefore wondered whether ECA would be treated differently from the other regional commissions in that connection. Considering that Member States should be given as much information as possible on the Development Account, he was concerned about the indication, in paragraph 15 of the Secretary-General's report, that information on the impact of productivity initiatives on staffing levels and programme delivery would be provided to Member States "wherever possible", rather than on a regular basis. In connection with the statement, in paragraph 21 (f), that projects funded by the Development Account should have a strong South-South cooperation content, he asked whether the Chairman of the South Centre would have a specific role to play in that regard.

59. **Mr. Connor** (Under-Secretary-General for Management) said that the representative of Indonesia had raised a series of valid points. The concurrence of Member States was an absolute necessity for any change to be made in the Development Account. The programme budget submitted each biennium contained a separate section indicating potential efficiency gains and how they could be identified. Next, the first performance report confirmed what part of the potential efficiency gains had actually been achieved. It was not, as had been suggested, an *ex post facto* review of resource redeployment by the Secretariat, since such redeployment required the prior consent of the Member States. Lastly, the General Assembly had to decide whether to redeploy savings to the Development Account. Thus, Member States were involved at three important stages of the process. The questions of when and where to redeploy resources, and in what amount, could be decided only by the Member States.

60. The reference, in the Secretary-General's original reform proposal, to programme versus non-programme costs had reflected an initial focus on reducing administrative and related costs. However, that approach had been discarded; instead, all sections of the programme budget would be examined to identify potentially redeployable resources. He confirmed that the Development Account was to supplement, and not replace, mandated programmes and activities; the clarification suggested in paragraph 15 of the Advisory Committee's report (A/53/7/Add.1) might be useful in that regard. On the question of posts, the Secretariat focused on financial resources in identifying potential efficiencies and on human resources in determining how staff could best be redeployed so as to maximize the Organization's outputs. The Secretary-General had repeatedly stated that redeployment would not result in involuntary separations of staff. The Secretariat had not yet determined which posts would be affected by redeployment, but that information would be available by the time the proposed programme budget was submitted.

61. In reply to the representatives of Mexico and Cuba, he said that the Development Account would be sustained through productivity improvements that were themselves sustainable. The proposed programme budget to be submitted to the Fifth Committee would describe in detail the programme budget resources that were potentially redeployable. The budget outline was not suitable for that purpose, since it was only a preliminary indication of the Secretariat's resource requirements, compiled at a very high level of aggregation. Efficiency measures were not likely to affect mandated programmes negatively; on the contrary, Member States could expect the same, or better, outputs as a result of such measures.

62. He agreed with the Russian Federation that the Development Account's sustainability must be clear. However, it was impossible to guarantee that the Account would have the funding necessary for every purpose, and some efficiencies could be lost over time. Nevertheless, Development Account-funded projects approved by the Member States would be carried out. The Account would be governed by all United Nations regulations, including those relating to audit, and would be subjected to the same scrutiny as all other parts of the programme budget.

63. On the question of remote translation, while no formal study had been done, all translations for the Fourth World Conference on Women, which had been held in Beijing in 1995, had been done at Headquarters. The system had worked particularly well because it had allowed advantage to be taken of the time difference between the two locations. He had certain reservations about the use of remote interpretation, however, even though the system had already been tried by some agencies of the United Nations system.

64. The reality was that a great deal of information was already being transmitted electronically within the United Nations system. In his view, while there would always be a need for some printed texts, the proportion of the total which the latter represented would continue to diminish.

65. He agreed with the representative of China that efficiencies were not inexhaustible and were usually gained in waves that corresponded to the emergence of new technologies.

66. He would reply in writing to the question raised by the representative of Uganda concerning the regional commissions, since he needed to verify certain information. The phrase "wherever possible", to which the representative of Uganda had referred, however, should not raise any concerns, since the intention had merely been to introduce an element of caution.

67. **Mr. Sulaiman** (Syrian Arab Republic), clarifying his earlier comments on the subject of remote translation and interpretation, said that, notwithstanding the Organization's past experience with the use of the new technologies, the primary concern should be to ensure that the quality of translations and interpretation was not compromised. While his delegation welcomed the introduction of modern technologies into the Organization, such technologies should not affect the Organization's multilingual character. Indeed, the Assembly had made it clear in its resolutions on the subject that the electronic publication of documents should not affect the availability of printed copies. In short, his delegation was not enthusiastic about the introduction of remote translation and interpretation technologies and the Secretariat should therefore keep States informed of proposed innovations in that field so that their views could be taken into account.

68. **Mr. Connor** (Under-Secretary-General for Management) said that, while he was mindful of the need to maintain the quality of translations and interpretation, new and evolving technologies offered the Organization exciting possibilities for efficiency gains. All the Organization needed was a chance to try the new technologies and it would welcome the views and suggestions of Member States in that regard.

Analysis of savings resulting from the improved overall cost-effectiveness achieved pursuant to the ninth session of the United Nations Conference on Trade and Development, including the restructuring of the intergovernmental machinery and the reform of the secretariat (A/52/898 and A/53/7/Add.2)

69. **Mr. Halbwachs** (Controller), introducing the report of the Secretary-General on the analysis of savings resulting from the improved overall cost-effectiveness achieved pursuant to the ninth session of UNCTAD (A/52/898), said that the report contained an analysis of the resource situation and resource utilization in the biennium 1996–1997, including a review of how any savings incurred in the biennium had been "reallocated" in the context of the programme budget for the current biennium. In its decision 52/462 of 31 March 1998, the General Assembly had reviewed the unspent balance of funds remaining at the end of the biennium 1996–1997 and had decided to retain a balance with a view to financing the activities of UNCTAD. The balance in question amounted to $5,526,600. Accordingly, the Secretary-General had prepared his initial proposals and had presented them to the Working Party on the Medium-term Plan and the Programme Budget of the United Nations Conference on Trade and Development.

70. The report contained a table which showed the evolution of the budget of the United Nations Conference on Trade and Development from initial appropriation to final expenditures for the biennium 1996–1997. It also contained the proposals for the allocation of $5.5 million pursuant to General Assembly decision 52/462 of 31 March 1998, the results of the deliberations of the Working Party on the Medium-term Plan and the Programme Budget of UNCTAD on the draft report of the Secretary-General contained in document UNCTAD/ISS/Misc.121 and the text of the agreed statement by the Chairman of the Working Party.

71. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of ACABQ contained in document A/53/7/Add.2, recalled that the General Assembly, having taken note of the overall unspent balance of $9,326,600 from the regular budget for the biennium 1996–1997, had decided to allocate an amount of $2.5 million to the Integrated Management Information System for 1998 and an amount of $1.3 million for improving and refurbishing conference facilities, and to retain the balance of $5,526,600 with a view to financing the activities of UNCTAD. Upon enquiry, the Advisory Committee had been informed that the expenditures incurred for the above three items would be recorded in special accounts and reported in the notes to the financial statement when the accounts for the biennium were presented to the General Assembly at its fifty-fifth session in 2000. With that decision, the Assembly had implicitly waived financial regulations 4.2 to 4.4, according to which appropriations should be available only for the biennium to which they related. The Advisory Committee cautioned that that decision to fund activities after the biennium to which the funds related had ended would create a precedent and should be avoided. The Committee wished to point out furthermore that the $5.5 million in savings was not directly related to the decision taken at the ninth session of the Conference and the reform of the secretariat of UNCTAD.

72. With regard to the proposals for the financing of experts, the Advisory Committee had been informed that the questions of how the experts would be selected, nominated and appointed were still being negotiated and was of the view that decisions needed to be taken urgently so that foreseen activities could be carried out.

73. **Mr. Schlesinger** (Austria) speaking on behalf of the European Union, the associate countries of Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia, and, in addition, Iceland and Norway, said that the European Union exceptionally agreed to approve the financing of the participation of experts in expert meetings of the regional commissions on the understanding that it would involve a one-time expenditure within the framework of the 1998–1999 biennium. Such approval, moreover, should not set a precedent with regard to the financing from the regular budget of UNCTAD of the expenses of experts who attended in their personal capacities expert meetings convened by the commissions. Finally, notwithstanding the normal budgetary procedures, details concerning the establishment of guidelines and modalities for the eventual disbursement of such funds would have to be elaborated by Member States within the framework of UNCTAD so as to allow endorsement by the Trade and Development Board at its forty-fifth session.

74. The European Union fully endorsed the concept of making the United Nations more productive while at the same time strengthening its activities in the economic and social fields. It therefore requested the Secretary-General to report on the progress achieved towards the goal laid out in paragraph 33 of General Assembly resolution 51/167.

Agenda item 118: scale of assessments for the apportionment of the expenses of the United Nations (A/53/11; A/C.5/53/L.4).

75. **Mr. Smyth** (Ireland), reporting on the informal consultations on chapter III, section C, of the report of the Committee on Contributions concerning the exceptions under Article 19 of the Charter, said that the consultations had produced agreement on a draft decision in which the General Assembly would endorse the conclusions of the Committee on Contributions contained in paragraphs 32 and 36 of its report (A/53/11).

76. *Draft decision A/C.5/53/L.4 was adopted.*

Other matters

77. **The Chairman** recalled that at the Committee's meeting the previous day the representative of Costa Rica had raised the issue of security in the United Nations General Assembly and Secretariat buildings during the two weeks of the general debate in the plenary Assembly and had requested that explanations should be provided on the matter. The representative of Egypt had also questioned why diplomatic cars had been towed away when special arrangements had been made by the United Nations Security and Safety Service with the City of New York to authorize parking in the vicinity of the United Nations during the two weeks of the general debate.

78. **Mr. McCann** (Chief of the Security and Safety Service) said that it was important to put the arrangements which had been made during the general debate in the

context of the overall security threat posed to the United Nations complex; the specific security threats to individuals in the complex at any particular time; the limited resources available to the United Nations Security and Safety Service to address those threats; the enormous task of providing security for delegations from 185 Member States, observers, petitioners, accredited journalists and NGOs, over 9,000 staff and many thousands of visitors; and the difficulties inherent in implementing modern security arrangements in a 50-year-old building.

79. The overall threat to the United Nations complex continued to be at a record-high level and information was regularly received about specific threats to high-level officials, to the complex itself and to visiting dignitaries. The Organization's own security services did not have the human or financial resources to fully address those threats without extensive support from the host country. It was for that reason that during periods of crisis or serious threats, host country security organizations were significantly more visible in and around the United Nations complex.

80. He wished to stress, however, that what occurred outside the complex, and in particular on First Avenue, was beyond his control. Indeed, the Security and Safety Service continued to argue against excessive closures of and freezes on First Avenue and remained of the view that all heads of delegations to meetings should be able to use the Forty-Third Street vehicle entrance and that pedestrian freezes on First Avenue should be reduced in number and duration. The approach of his Service was to balance the legitimate concerns of Member States for the protection of their dignitaries with the equally legitimate concerns of Member States to have access to the complex with a minimum of inconvenience. While his Service would continue to confront those issues directly, it believed that the Committee on Relations with the Host Country would be the most appropriate forum in which to further air the legitimate concerns of Member States.

81. With regard to specific issues which had been raised, he had discussed the issue of the towing of delegation vehicles parked on First Avenue with the host country authorities, who had acknowledged that the parking arrangements agreed upon in advance had not been changed and had expressed regret at the inconvenience that had been caused.

82. Security arrangements for high-risk dignitaries remained a complex issue. The arrival and departure of such dignitaries involved large numbers of support staff, which placed severe demands on the Organization's security officers. Another area of concern was the low-rise elevators adjacent to the delegates' North Lounge, the use of which had to be restricted during periods of high risk, since any individual intent on causing harm could gain immediate access to the heart of the secure area by using the elevators. While his Service could provide security checking for all personnel entering the elevators on the sub-basement or higher floors in order to facilitate the use of the elevators by delegations, the additional staffing costs entailed could not be met from within existing resource allocations.

83. He was genuinely surprised to hear the allegation that delegations had not been allowed to leave through the delegates' entrance, but without more specific information as to times and dates, it would be difficult to ascertain the facts. It remained the view of his Service that delegates could exit the complex in any manner they chose, although it was possible that during the pedestrian and vehicle freezes on First Avenue delegates might have been advised to use alternate entrances and exits.

84. The issue of crowding in the delegates' North Lounge was outside the direct control of the Security and Safety Service. The use of draping in various areas of the complex was a prudent security measure designed to minimize external observation of selected areas. Those measures were maintained for the minimum time necessary commensurate with the security situation at the time and should be discontinued immediately after they were no longer needed for security purposes.

85. On the subject of cash machines, it was his understanding that, subject to the occasional breakdown and lack of cash, both machines had been working normally during the period. It was possible that the lack of cash reported by a Member State had been a minor aberration or the result of heavy usage at a particular time.

86. Lastly, he noted with concern the criticism of himself as not being independent. He rejected that allegation as groundless and unacceptable. Notwithstanding the level of resources available to meet the security challenges that confronted the complex, the Security and Safety Service would do all within its power to ensure that delegations were treated with dignity, equality and respect.

87. **Ms. Incera** (Costa Rica) noted that the security arrangements put in place for the general debate in the plenary Assembly seemed to impose increasing hardships on delegates each year. The truth about the automatic teller machines was that they had been unable to dispense cash for one week because the vehicles of the banks resupplying the machines had been denied entry into the building. Furthermore, it was unacceptable that, after the stringent searches which they were forced to undergo on the perimeter

of the building, including the sniffing of vehicles by police dogs, delegates should have difficulty in gaining access to the second floor of the Secretariat building. While she agreed that it might be necessary to restrict access to First Avenue during the general debate, access must again be permitted after that period.

88. **Mr. Mirmohammad** (Islamic Republic of Iran) expressed his delegation's appreciation to the Security and Safety Service for the efforts being made to ensure the security of the building and its occupants and thanked the Chief of the Service for the detailed explanations which he had given to address the concerns raised by delegations.

89. **Ms. Buergo-Rodríguez** (Cuba) expressed understanding for the responsibility shouldered by the Security and Safety Service, especially during the general debate in the plenary Assembly. It was nevertheless important to draw a distinction between the responsibilities of the host city and those of the security service of the Organization itself, a subject that would be more appropriately discussed in the Committee on Relations with the Host Country.

The meeting rose at 6.15 p.m.

United Nations A/C.5/53/SR.5

General Assembly
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Fifth Committee

Summary record of the 5th meeting
Held at Headquarters, New York, on Wednesday, 7 October 1998, at 10 a.m.

Chairman: Mr. Abelian ..... (Armenia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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The meeting was called to order at 10 a.m.

Agenda item 112: Review of the efficiency of the administrative and financial functioning of the United Nations *(continued)*

Administrative arrangements for the International Trade Centre UNCTAD/WTO (A/53/7/Add.3; A/C.5/52/25 and A/C.5/52/45)

1. **Mr. Halbwachs** (Controller) introduced the report of the Secretary-General and the note by the Secretariat on the administrative arrangements for the International Trade Centre UNCTAD/WTO (A/C.5/52/25 and A/C.5/52/45). He drew attention to the historical overview of the International Trade Centre (ITC) in paragraphs 3 to 6 of document A/C.5/52/25, which outlined the allocation of responsibilities between GATT (later WTO) and the United Nations and the problems resulting from the differences in the budgetary cycles and procedures of the two organizations.

2. When it had been established in 1995, the World Trade Organization (WTO) had asked to be more closely associated with the preparation of the Centre's budget. It had expressed a wish that the budget should be subject to the same procedures as its own budget and that it should cover a calendar year and be presented in Swiss francs. Following consultations between the secretariat of WTO, the International Trade Centre and the United Nations Secretariat, the latter had, in document A/C.5/52/25, put forward a series of proposals aimed at meeting the needs of the General Council of WTO and the General Assembly of the United Nations. A timetable had been proposed for the review and approval of the Centre's programme budget and related budget performance reports. WTO had expressed the view that the Secretariat's proposals did not fully address its concerns. The members of the Bureau of the Fifth Committee had met with the Chairman of the WTO Committee on the Budget, Finance and Administration in March 1998 and had agreed that the question of the Centre's financial arrangements should be brought to the Committee's attention.

3. Annexed to the second report, the note by the Secretariat (A/C.5/52/45), was detailed information on the current situation. ITC was financed equally by the United Nations and WTO. However, the WTO budget was presented in Swiss francs on an annual basis, while that of the United Nations was presented in United States dollars and covered a biennium. It was therefore difficult to reconcile the demands of the two organizations, but the Secretariat had endeavoured to do so in its report.

4. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) (A/53/7/Add.3), said that the Advisory Committee had conducted an in-depth review of the question, during which it had met with representatives of ITC at Geneva, and with the Chairman and former Chairman of the Committee on Budget, Finance and Administration of the World Trade Organization. It had informed all its interlocutors of the content of its report; it was the Advisory Committee's hope that the proposals it was submitting to the Fifth Committee would meet with the agreement of WTO.

5. The procedure proposed by ACABQ was indicated in paragraph 11 of its report. Its main recommendation was that before ITC prepared its proposed programme budget, the United Nations General Assembly and the legislative machinery of WTO should approve the level of an outline in Swiss francs. That key change would meet the concerns of WTO, which would thus have a better picture of the level of appropriations required in Swiss francs. In the past, WTO had expressed concern that it had not been fully able to determine the equivalent in Swiss francs of a budget submitted in dollars. The budget outline would be submitted in May to ACABQ and to the General Assembly, and at the same time to WTO. It was in May that ITC submitted its budget outline in Swiss francs to WTO. ACABQ was proposing to extend that procedure to the United Nations. Budget proposals would be prepared between May and September. As was currently the case, a budget presented in dollars would be submitted to the General Assembly.

6. No other change was proposed. The Staff Regulations and Financial Regulations of the United Nations would continue to apply to ITC, whose activities would continue to be subject to oversight by the Office of Internal Oversight Services and whose accounts would still be audited by the Board of Auditors. Further, there would be no need to amend any United Nations regulation to be able to approve an outline presented in Swiss francs. In fact, the General Assembly, on the Advisory Committee's recommendation, already approved the International Computing Centre budget in Swiss francs.

7. The Advisory Committee had simply presented an outline of the procedure to be followed. It offered no indication of the structure or content of the budget outline, on which it would make further recommendations in May 1999, in the context of its consideration of the budget outline

prepared by ITC. Lastly, ACABQ was proposing nothing in its report that would affect the role of UNCTAD or its legislative machinery or the way in which programme priorities were formulated and approved for ITC.

8. **Mr. Atiyanto** (Indonesia), speaking on behalf of the Group of 77 and China, recalled the conditions in which the General Assembly, in resolution 2297 (XXII), had approved the accord between the United Nations Conference on Trade and Development (UNCTAD) and the General Agreement on Tariffs and Trade (GATT) on the establishment of ITC. The administrative and budgetary arrangements for the Centre had been approved in 1974 by the General Assembly, which alone was competent to change them. In that connection, he disagreed with the United Nations Secretariat which expressed the view, in paragraph 9 of document A/C.5/52/25, that the revisions of the budgetary arrangements called for by the General Council of WTO could be implemented through a series of administrative and technical measures.

9. In 1995, the Secretary-General had agreed with the Director-General of WTO to recommend to the responsible intergovernmental organs that the current arrangements governing the status of ITC should be confirmed, subject to the revisions of the budgetary arrangements requested by the General Council of WTO. The Group of 77 and China wished to express their concern in that connection and to underline the role of UNCTAD in the operation of the Centre. Moreover, they regretted the delay in bringing the matter to the attention of the General Assembly.

10. The budgetary procedure proposed by the General Council of WTO did not appear to be in conformity with the Financial Regulations and Rules of the United Nations. The budget of ITC was a section of the regular budget of the Organization and, as such, should be subject to those Regulations and Rules and to the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation.

11. Furthermore, in response to the Advisory Committee, which recommended that the activities of the Centre should remain subject to internal audit and oversight by the Office of Internal Oversight Services, he wished to point out that the activities of ITC were approved by the Member States and that only the competent legislative organs of the United Nations could change them. The Office of Internal Oversight Services did not have such powers but was merely mandated, in accordance with General Assembly resolution 48/218 B, to examine, review and appraise the use of financial resources of the United Nations in order to guarantee the implementation of programmes and legislative mandates.

12. Accordingly, the Group of 77 and China called for the restoration of the administrative and budgetary arrangements for ITC and reaffirmed the role of UNCTAD in that regard. The Ministers for Foreign Affairs of the Group of 77 and China had, moreover, recently reiterated that position of principle.

Agenda item 143: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

(a) Financing of the United Nations peacekeeping operations (*continued*)

Support account (*continued*) (A/52/837 and Corr.1 and A/52/892; A/53/418)

Death and disability benefits (*continued*) (A/C.5/53/16)

13. **Mr. Halbwachs** (Controller), recalling that the General Assembly, in resolution 51/239 A, had requested the Secretary-General to submit to it quarterly reports on the progress made in clearing the backlog of death and disability claims, introduced the fourth such report (A/C.5/53/16), which dealt with the period ending 30 June 1998. Annexes A, B and C to the report contained detailed information, which showed that 977 claims had been processed since May 1997 and that 90 claims still awaited processing. Those figures represented a considerable reduction compared with the 564 claims awaiting processing mentioned by the General Assembly in the aforementioned resolution. Since the issuance of the previous report, in March 1998, 100 new claims had been received and 100 had been processed.

14. In order to catch up with the backlog, the General Assembly had provided general temporary assistance resources funded from the support account. The situation had improved greatly as a result and the Secretary-General did not seek continuation of that assistance.

15. **Mr. Atiyanto** (Indonesia), speaking on behalf of the Group of 77 and China, said that he regretted the delay in the issuance of the Advisory Committee's report (A/53/418). He noted that, despite the observations of the Advisory Committee and of the General Assembly, the Secretariat had done little to improve the quality of information provided; future reports on the support account should take full account of General Assembly resolutions and the Advisory Committee's recommendations.

16. The Group attached great importance to the role of the United Nations in the maintenance of international peace and

security. All mandated activities should be carried out by international civil servants in accordance with Articles 100 and 101 of the Charter, and all gratis personnel should be phased out by February 1999. The recruitment of staff to replace gratis personnel should be expedited with due regard for equitable geographical distribution. The developing countries were under-represented in the staffing structure of the Department of Peacekeeping Operations.

17. The Secretary-General had proposed 469 temporary support account posts for the period 1 July 1998–30 June 1999, and the General Assembly, in its resolution 51/239, had affirmed the need for adequate funding for the backstopping of peacekeeping operations, in view of which there was a need for the immediate conversion of positions occupied by gratis personnel to fully funded temporary posts. The Advisory Committee's recommendation for 47 additional posts and the redeployment of 29 posts would need to be considered on the basis of the actual requirements for backstopping. The Group of 77 and China would like additional information on the 29 posts proposed for redeployment. The Secretariat should inform the Committee of the feasibility of implementing the Advisory Committee's recommendations, should the General Assembly approve them, and indicate whether the amount of $34.4 million tentatively approved by the General Assembly for the period 1 July 1998–30 June 1999 would be sufficient.

18. The Advisory Committee had rightly pointed out the need to review the relationship between the Department of Peacekeeping Operations and the Department of Political Affairs to avoid duplication and overlap, and to review any possible duplication between some functions performed by the Department of Management and the administration in the field as well as the planning functions of the Department of Peacekeeping Operations to avoid duplication between the Office of the Military Adviser and the Planning Division. As the Advisory Committee recommended, the cost-effectiveness of the Situation Centre, including its workload, functions and responsibilities, should be evaluated, and the Secretary-General should submit a separate report on the Rapidly Deployable Mission Headquarters to the General Assembly as soon as possible.

19. **Mr. Manz** (Austria), speaking on behalf of the European Union, the associated countries Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia, and, in addition, Iceland and Norway, said that the European Union's contribution to peacekeeping (one third of peacekeeping personnel currently serving and almost 40 per cent of the budget) reflected its commitment to the role of the United Nations in the maintenance of international peace and security.

20. It went without saying that everything had to be done to ensure the safety and welfare of personnel in the field. The most important means of doing so was to plan, accurately assess and analyse both operational and logistical aspects of peacekeeping activities. Accordingly, backstopping must function properly. Over the years the relevant departments had developed the necessary expertise to provide such support, owing in part to the expertise brought in by gratis military officers. The European Union had joined the consensus decision by the General Assembly to phase out gratis personnel, and stood by that decision.

21. In May 1998 the Advisory Committee had been unable to carry out a detailed assessment of the Secretary-General's proposals owing to a lack of time and incomplete information. The Fifth Committee had then adopted a decision to allow for urgent administrative measures, such as recruitment, to go ahead, with the intention of completing its work once it had additional guidance from the Advisory Committee. The Fifth Committee had done its utmost to signal to the Secretariat what type of information was needed. Yet ACABQ, whose efforts and clear conclusions were commendable, had indicated on several occasions in its reports that the clarifications it had sought, in some instances one or two years previously, had still not been provided. While some administrative units had been able to justify their needs in a plausible manner, others apparently had not. The Secretariat must explain that situation.

22. The European Union noted that the Advisory Committee's recommendations differed from the Secretary-General's proposals, and shared its scepticism as to the approach taken by the Secretariat and the quality of the staffing tables proposed. The European Union would carefully evaluate all recommendations submitted, although it obviously felt more strongly about some areas than others. Those priorities were consistent and well known. The Fifth Committee must adopt a balanced approach that would allow the Secretariat to maintain the seconded military and police personnel needed to effectively plan, deploy and manage peacekeeping operations. In the absence of the information requested, the Advisory Committee had had little choice but to adopt a pragmatic approach. It was thus of the greatest importance for the Secretariat to provide the necessary information at the current session.

23. Since the mechanism of redeployment of posts was to be used to resolve staffing problems, the Committee must have detailed information on when redeployment would take place, and where from, in order to be able to decide on the

proposal. Lastly, to avoid putting at risk backstopping capacities for peacekeeping as a result of vacancies, it was crucial not to impede the recruitment process, and for the Committee to take a speedy decision to meet the mandated deadline of 15 October 1998.

24. **Mr. Shervani** (India), recalling the conditions under which the support account had been created, noted that the overall budget for peacekeeping operations had declined considerably from the level of the early 1990s. Theoretically the number of backstopping personnel should fluctuate with the number and size of peacekeeping operations.

25. As his delegation had already indicated, backstopping for peacekeeping should take into account dynamics in the field, such as the decline in the number of troops and its impact on backstopping at Headquarters, the changing requirements of peacekeeping operations in the field and of Headquarters support, the possibility of duplication between the activities of the Department of Peacekeeping Operations and other departments, and the structures and posts required in low and high intensity periods of activity.

26. His delegation supported the Advisory Committee's recommendations, but noted that in some cases ACABQ had been unable to make explicit recommendations in the absence of information from the Secretariat. Perhaps the Secretariat could provide the necessary clarifications.

27. It was essential for peacekeeping operations to be properly financed. Unfortunately, there was an unwillingness on the part of some Member States to meet their commitments, hence the long delays in reimbursing amounts due to several countries, including India. In that context his delegation would prefer the Committee to strike an appropriate balance on the basis of realistic figures, and to consider post increases only in cases where they were properly justified by the Secretariat and duly recommended by the Advisory Committee.

28. To replace gratis personnel within the time-frame envisaged by the General Assembly the Secretariat needed to accelerate the recruitment process, but without affecting the efficiency and effectiveness of peacekeeping operations; acceptance of the judicious recommendations of the Advisory Committee could facilitate that task.

29. **Mr. Dausá Céspedes** (Cuba) said that his delegation associated itself fully with the statement made by the representative of Indonesia on behalf of the Group of 77 and China and regretted that the Fifth Committee had not received all the information it needed. He emphasized that imposing certain resource levels arbitrarily, based on the political positions of certain Member States, or attempting to give preference to some regions over others undermined the credibility of the United Nations.

30. His delegation noted the emergence of practices which were distorting the budget process. It had been decided to use assessed contributions to finance the Lessons Learned Unit, when such activities should have been financed by voluntary contributions, and it was being proposed that the same approach should be taken with the Rapidly Deployable Mission Headquarters and that other support account activities should be financed from the regular budget.

31. His delegation noted that, in document A/52/837, the Secretariat had published vacancy announcements for all the posts concerned in order to facilitate the selection of candidates and ensure that gratis personnel were replaced on schedule. Cuba saw that as an exceptional procedure which must on no account create a precedent.

32. His delegation expected the Secretariat to provide a detailed analysis of the structure of the Department of Peacekeeping Operations, with a view to streamlining it and avoiding overlapping, as recommended by General Assembly resolutions 50/214 and 52/220.

33. The Secretariat's proposal to convert 106 posts currently filled by gratis personnel in the Department of Peacekeeping Operations was not justified, but the Advisory Committee's recommendation for the creation of 47 posts and the redeployment of 29 others Secretariat-wide was inadequate. His delegation would like to hear the Secretariat's views on the potential implications of that recommendation for the departments concerned. It would also like the Chairman of the Advisory Committee to explain the figures given in paragraph 7 of the report, where it was stated that, as at 14 September 1998, there had been 23 vacant posts, including five posts under recruitment, meaning that, in practice, the number of vacant posts was only 18. The recommendation to fill by deployment the six military officer posts provided for the Rapidly Deployable Mission Headquarters also did not appear to be justified, given the observations of the Special Committee on Peacekeeping Operations reproduced in paragraph 15 of the Advisory Committee's report.

34. The Advisory Committee's recommendation to redeploy a P-4 post for the Investigation Section of the Office of Internal Oversight Services also appeared not to be justified, in that the General Assembly had decided, in its resolution 52/220, to create three new posts at the P-4/3 level for that Section, representing a 33 per cent increase over the biennium 1996–1997. Lastly, his delegation wished to know why the Advisory Committee was not

recommending the creation of the post requested for the Europe and Latin America Division.

35. **Mr. Suman** (Nepal), referring to the report of the Secretary-General on death and disability benefits (A/C.5/53/16), said that the current system of compensation should be continued. The General Assembly at its current session should emphasize the need to ensure adequate financial resources for the compensation of United Nations peacekeepers killed or wounded in the line of duty. A simplified claim procedure should be adopted, with an in-built mechanism for exchanges of information between the Permanent Missions and Secretariat departments concerned, with a view to the timely settlement of claims.

36. **Mr. Theophylactou** (Cyprus) associated himself with the statement made by the representative of Austria on behalf of the European Union. He noted from the Secretary-General's report (A/52/837) that, while the number of troops had decreased since 1994, the number of support account posts had increased, and that the support account as a percentage of peacekeeping operations had increased from 0.8 per cent in 1994 to 5 per cent in 1998.

37. He paid tribute to all peacekeepers, military and civilian, especially those who had served or were currently serving under the United Nations flag in Cyprus, but expressed concern at the ever-increasing demand for peacekeeping operations and the modest financial resources assigned to them. His delegation hoped that the proposals currently under consideration would improve the financial situation in that regard.

38. The safety and welfare of peacekeeping personnel were also cause for concern. To that end, adequate funding and equipment must be supplied. His Government contributed voluntarily a substantial portion of the budget of the United Nations Peacekeeping Force in Cyprus, whose peacekeeping and humanitarian role was praiseworthy.

39. **Mr. Yamagiwa** (Japan) noted with concern that, as the Advisory Committee stated in paragraph 5 of its report, the Secretariat had done little to improve the quality of the information which it provided on the support account. He commended the Advisory Committee for having nevertheless conducted a detailed study of the posts requested.

40. The deliberations on the support account were aimed at establishing the level of resources, including the number of posts, required for the backstopping of peacekeeping operations. The Advisory Committee had taken the correct approach to the issue, in that it had taken into account the need to streamline backstopping-related functions within the Secretariat and the current level of vacancies in support account posts. Its recommendations also took into account the provisions of paragraph 17 of General Assembly resolution 52/248.

41. In order to maintain the backstopping functions of peacekeeping operations, it was critically important that gratis personnel should be replaced in a timely manner. In that connection, the Fifth Committee had been assured by the Secretariat that recruited candidates would receive official offers of appointment by the end of the year. His delegation would like to be informed of the situation in that regard.

42. **Mr. Mirmohammad** (Islamic Republic of Iran) endorsed the statement made on behalf of the Group of 77 and China. The number of support account posts must be determined on the basis of the real needs of peacekeeping operations and the Advisory Committee was to be commended for having taken into account the decrease in such operations.

43. The Advisory Committee's recommendations were an excellent starting point for the Fifth Committee's consideration of the proposals concerning support account posts. His delegation welcomed the approach taken by the Advisory Committee to the creation of posts following the phasing out of gratis personnel. In particular, it subscribed to the Advisory Committee's comments in paragraphs 7 and 8 of its report and took note of the observations in paragraph 15 concerning the Rapidly Deployable Mission Headquarters. It would also like to receive clarification concerning the separate report announced by the Secretariat, to which the Advisory Committee referred in paragraph 12.

44. **Mr. Lozinski** (Russian Federation) said that his delegation shared the Advisory Committee's regret (A/53/418, para. 5) that little had been done since the adoption of General Assembly resolution 52/248 to improve the quality of information provided. He agreed with the Advisory Committee that a diminution in peacekeeping expenditures by more than two thirds must have an impact on staffing needs in support services. As a result of the fact that the Secretariat had not submitted the information requested on the division of responsibility between the various services and departments responsible for backstopping, the Fifth Committee would again be required to take a decision on an important mechanism without having enough time or information.

45. It was important for the Organization to have at its disposal the highly skilled specialized military personnel it needed to discharge one of its essential functions — peacekeeping — after gratis personnel had been phased out. His delegation was willing to accept the Advisory

Committee's recommendations, in particular those relating to redeployment of staff in an effort to avoid overlap.

46. The resolution on the support account must contain a specific provision recalling that at future sessions the Secretariat must submit detailed information justifying all posts to be funded from the support account, as well as other information requested by Member States, in a timely manner.

47. **Mr. Kabir** (Bangladesh) said that his delegation fully supported the statement made by Indonesia on behalf of the Group of 77 and China. Bangladesh attached great importance to the role played by the United Nations in the maintenance of international peace and security, as indicated by its generous response to requests for troops. His delegation reaffirmed its commitment despite the difficulty Bangladesh had had in receiving reimbursement for its service.

48. The Department of Peacekeeping Operations should be provided with adequate resources to perform its functions, but there should also be adequate justification for its structure and staffing table. He noted the Advisory Committee's observation (A/53/418, paras. 3, 4 and 5) that the Secretariat had not presented meaningful workload statistics, or met the concerns expressed in General Assembly resolution 52/248 on the quality of information provided.

49. One of the purposes of reform of the United Nations was to eliminate duplication. However it was clear from the Advisory Committee's report that the Department of Peacekeeping Operations was plagued by a fragmented approach, and that there was a duplication of functions between various departments involved in peacekeeping operations. As recommended by the Advisory Committee, there should be a thorough review of the structure and functions of the departments in question before the next report of the Secretary-General on the support account was submitted.

50. His delegation also supported the Advisory Committee's recommendation for the creation of an additional 47 support account posts and the redeployment of 29 posts in the Department of Peacekeeping Operations and other departments concerned. His delegation supported the phasing out of gratis personnel and their replacement by international civil servants, and was opposed to any arbitrary financial ceiling that might adversely affect backstopping of peacekeeping operations. With regard to the quarterly report on death and disability benefits (A/C.5/53/16), he noted, in connection with annex A, that Bangladesh had submitted 27 claims before May 1997, none of which had been settled. He requested clarification.

51. **Mr. Zhang Wanhai** (China) supported the statement made by Indonesia on behalf of the Group of 77 and China. Recalling that peacekeeping was one of the Organization's central functions, he requested information on the recruitment status of staff intended to replace gratis personnel after 28 February 1999. His delegation noted that the Secretary-General, whose report had been submitted very late, had requested a total of 469 support account posts, representing requirements of US$ 39.4 million, whereas resolution 52/248 adopted by the General Assembly at its resumed fifty-second session had approved requirements of $34.4 million. His delegation would study carefully the Advisory Committee's recommendations in paragraph 67 of its report with other delegations.

52. **Mr. Halbwachs** (Controller), responding to the representative of Bangladesh, undertook to provide the clarification requested regarding compensation claims in the very near future. With regard to the support account, information had been provided in document A/52/837 and thereafter. The Advisory Committee had, for example, received job descriptions for all posts in the Department of Peacekeeping Operations. The missions for which various Secretariat departments and services provided backstopping included not only ongoing or terminated missions for which the accounts had not yet been closed, but also possible operations that must be planned in case they were launched, and operations that might be expanded. The diminution in the overall level of operations had been matched by a fall in the number of posts occupied by gratis personnel and support account posts (down from 408 to 345, a reduction of some 16 per cent). Redeployment possibilities would be studied very carefully, but that was in any event a zero sum game, and it was not possible to continue resource reductions indefinitely. The approved amount of $34.4 million would probably be enough to meet requirements, since, until recruitment was finished, the vacancy rate would be slightly higher than anticipated.

53. **Mr. Wortel** (Office of Human Resources Management), responding to the representative of China, said that the Office of Human Resources Management had begun the recruitment process in consultation with the Department of Peacekeeping Operations. With regard to civilian personnel, 57 vacancy announcements had been issued at the end of June, and had elicited 3,500 applications; the Office had transmitted its pre-selected candidates to the Department. For military and police posts, 54 Member States had submitted 705 applications by the deadline, including those of 19 women. Other applications had been submitted after the deadline. The Office had transmitted pre-selected applications to the Department, which, noting that certain

Member States required more time to submit applications, in particular those of women, had asked the Office to extend the deadline for applications. Vacancy announcements would thus be re-issued in a note verbale to Member States, with 27 October 1998 as the new deadline.

54. **Mr. Kabir** (Bangladesh) asked what would become of the applications submitted before the first deadline, and how the Department intended to explain the extension. He wished to know whether it was the first time deadlines for the submission of applications had been extended.

55. **Mr. Zhang Wanhai** (China) asked why applications had been accepted after the deadline had expired, and requested an assurance that the new deadline, which would allow the Secretariat only two months to complete its selection of candidates, would enable it to meet the recruitment schedule.

56. **Mr. Odaga-Jalomayo** (Uganda) associated his delegation with the questions raised, and trusted that further applications by women would be received, and asked what the impact was of the new deadline on recruitment status.

57. **Mr. Moktefi** (Algeria) asked whether the clarifications provided by the Controller and the Office of Human Resources Management could be provided in writing in informal consultations.

58. **Ms. Butschek** (Austria), speaking on behalf of the European Union, expressed surprise at the setting of a new deadline, since the member countries of the European Union had made sure that they had respected the original deadline. In the debate on the phasing out of gratis personnel, the constant concern of the European Union had been to ensure a seamless transition. It was the strong desire of the European Union for there to be no further change in the schedule. She recalled in that regard that the European Union would not have joined the consensus on General Assembly resolution 52/234, in particular paragraph 9, if it had not received an assurance that recruitment would be expedited, and she reserved the right to return to the issue.

59. **Mr. Wortel** (Office of Human Resources Management) said that the applications already received had been pre-selected and would be considered together with those to be pre-selected from the new applications. The overall schedule should not alter. The information given earlier would be provided in writing to the Committee in informal consultations, as requested by the representative of Algeria.

60. The Department of Peacekeeping Operations would reply to other questions raised, in particular those put by the representative of Austria.

61. **Mr. Saha** (India), observing that the Permanent Mission of India had submitted the names of candidates to the Secretariat before and after the deadline and those sent after had been refused, asked what procedures the Department of Peacekeeping Operations and the Office of Human Resources Management were following.

62. **Mr. Wortel** (Office of Human Resources Management), replying to the representative of India, said that the Secretariat had not initially made provision for the receipt of applications from Member States after the deadline. All applications received by the Secretariat before the expiry of the new deadline would be accepted.

63. **Ms. Butschek** (Austria) asked when the Department of Peacekeeping Operations could provide the information requested.

64. **Mr. Zhang Wanhai** (China) said that his delegation had two concerns: would the necessary recruitments be completed before the deadline set by the General Assembly and would all Member States be treated on an equal footing?

65. **Mr. Wortel** (Office of Human Resources Management) confirmed that the Office hoped to be able to abide by the deadline of 28 February 1999. The candidates selected by the Department of Peacekeeping Operations would be approved by the competent bodies on the basis of the Department's needs, and then their files would be transmitted to the Office of Human Resources Management.

66. **Mr. Abdullah** (Yemen), endorsing the comments made by the representative of China, said that the recruitment procedures should be transparent and equitable. In addition, account should be taken of the under-representation of some countries.

67. **The Chairman** suggested that the Committee should recommend that the General Assembly take note of the report of the Secretary-General on death and disability benefits in document A/C.5/53/16.

68. *It was so decided.*

69. **Mr. Atiyanto** (Indonesia) said that he was not opposed to the decision which the Committee had just adopted but wished to draw attention to the fact that Indonesia had submitted a number of requests for compensation which had still not been settled.

Agenda item 113: Programme budget for the biennium 1998–1999 (*continued*)

Analysis of savings resulting from the improved overall cost-effectiveness achieved pursuant to the ninth session of UNCTAD (*continued*) (A/52/898 and Corr.1; A/53/7/Add.2)

70. **Mr. Herawan** (Indonesia), speaking on behalf of the Group of 77 and China, said that unfortunately, owing to the late issuance of the Secretary-General's report, the Committee had been unable, during the resumed fifty-second session, to take the action requested by the General Assembly in resolution A/52/220 and that the number of expert meetings had been reduced from 14 to 10. The Group supported the proposal that the number of experts should be increased in return for that reduction. In order not to jeopardize the work of UNCTAD, it was essential to take a prompt decision on the utilization of the amount of $5,526,600 specified by the General Assembly in its decision 52/462.

71. The agreed statement issued by the Chairman of the Working Party on the Medium-term Plan and the Programme Budget of UNCTAD stated that the needs of developing countries, especially the least developed among them, must be given special consideration. Given the importance of the participation of experts from the developing countries in UNCTAD meetings, and in order to redress the current imbalance benefiting the developed countries, the Group of 77 and China emphasized that experts from the former should be the sole beneficiaries of the proposal on the financing of expert meetings. They doubted whether the substantial resources allocated to the financing of consultants was justified and would like to be informed whether the activities assigned to consultants could be carried out by UNCTAD staff.

72. The Secretariat had informed the Advisory Committee that the reduction in the conference-servicing requirements attributable to the decisions taken at the ninth session of UNCTAD was responsible for savings of $2 million. Unfortunately, there was no mention of that amount in the Secretary-General's report. Furthermore, it was unacceptable that the Secretariat should state that no savings had resulted from the restructuring exercise. The Group of 77 and China regretted that the Secretariat report did not contain the information requested by the General Assembly in section III, paragraphs 52 and 54, of resolution 52/220. Since, according to the comments of the Working Party, the savings achieved as a result of the decisions taken at the ninth session of UNCTAD were significant, they urged that the Secretariat should submit them promptly to the Assembly.

73. **Mr. Matute** (Peru) associated himself with the comments made on the behalf of the Group of 77 and China. The savings achieved should help to finance the participation of experts from developing countries in the UNCTAD meetings, whose outcomes should adequately reflect their points of view.

74. **Mr. Halbwachs** (Controller), speaking with reference to paragraph 12 of document A/52/898, said that the planned activities were self-contained and could not be carried out with the current staffing resources alone. As they were of limited duration, it was more economical to call on consultants than to recruit additional staff.

Agenda item 112: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Agenda item 119: Human resources management (*continued*)

Gratis personnel provided by Governments and other entities (*continued*) (A/53/417; A/C.5/52/54/Rev.1 and A/C.5/52/56)

75. **Mr. Herawan** (Indonesia), speaking on behalf of the Group of 77 and China, said that the Secretariat staff should have been recruited in accordance with the provisions of Articles 97, 100 and 101 of the Charter and asked whether resolutions 51/243, 52/234 and 52/248 had been fully implemented. Noting with concern that the practice of using gratis personnel had resulted in a geographical imbalance in some departments, including the Department of Peacekeeping Operations, the Group of 77 and China emphasized that the practice should not be used to compensate for poor personnel planning or a lack of staff resources. Nor should the object be to leave vacant authorized posts required for the implementation of mandated programmes. It was gratifying to learn that the number of gratis personnel had declined from 256 at the end of 1997 to 175 in June 1998. However, in paragraph 7 of its report (A/53/417), the Advisory Committee stated that the quarterly reports of the Secretariat failed to demonstrate the extent to which the gratis personnel provided the very specialized expertise required by paragraph 4 (a) of resolution 51/243. In March 1997, the Advisory Committee had stated through its Chairman, that that type of expertise was necessary in particular for sea and airlift operations, an observation which the Secretariat should note.

76. The Group of 77 and China viewed with concern the Advisory Committee's comments in paragraph 8 of its report in respect of the international tribunals for Rwanda and the

former Yugoslavia. They underlined that future quarterly reports should fully comply with the provisions of paragraph 14 of resolution 52/234 and the recommendation in paragraph 9 of the ACABQ report. They had noted the information on the recruitment procedures used by the Secretariat to replace gratis personnel, and they underscored that the process should be completed by 28 February 1999 at the latest.

77. **Mr. Wortel** (Office of Human Resources Management) said that the Secretariat had taken note of the requests which had been made to it concerning the implementation of General Assembly resolutions. In view of the considerable number of posts that had been approved, it hoped to be able to phase out the use of gratis personnel altogether.

Agenda item 118: Scale of assessments for the apportionment of the expenses of the United Nations (A/C.5/53/21 and 22)

78. **The Chairman** drew the Committee's attention to two letters which had been addressed to him by the President of the General Assembly and in which the Permanent Representative of Georgia and the Permanent Representative of Guinea-Bissau respectively requested an exception to the application of Article 19 of the Charter of the United Nations. Rule 160 of the rules of procedure of the General Assembly stipulated that the Committee on Contributions should advise the General Assembly on the action to be taken with regard to the application of Article 19 of the Charter, but the Committee on Contributions had met in June, before the requests for an exception had been made. He invited the members of the Committee to state their positions on the procedure to be followed.

79. **Mr. Cabral** (Guinea-Bissau) said that the reason for the request of his Government — which sought an exception for a few months only — was a conflict which had broken out in June, at the time the Committee on Contributions was meeting. It had therefore been impossible to bring the matter to the Committee's attention in time. He noted that the role of the Committee, as defined in rule 160 of the rules of procedure, was confined to advising the General Assembly. In accordance with the second sentence of Article 19 of the Charter, which he read out, the Assembly had sovereign power in the matter and could therefore accede to the request submitted to it without the request going through the Committee on Contributions.

80. **Mr. Darwish** (Egypt) said he thought that Guinea-Bissau's request was fully justified since the administrative and banking machinery had been completely blocked for several months. The Committee should consider what arrangements should be made to settle such cases of *force majeure*. One solution would perhaps be for the Committee on Contributions to meet twice a year to consider situations of that kind.

81. **Mr. Sulaiman** (Nigeria), speaking on behalf of the Group of African States and the member countries of ECOWAS, supported the request submitted by Guinea-Bissau.

82. **Mr. Atiyanto** (Indonesia) said he was ready to take any decision which the Committee might feel it should adopt.

83. **Mr. Zhang Wanhai** (China) agreed with the representative of Egypt that it was important to decide on the procedure to be followed, in view of the provisions of rule 160 of the rules of procedure. In the case in point, the Committee should exercise caution.

84. **Ms. Achouri** (Tunisia) suggested that, since the request was for a fixed period and was prompted by a case of *force majeure* which had occurred after the session of the Committee on Contributions, it should be acceded to without prejudice to rule 160 of the rules of procedure and Article 19 of the Charter.

85. **Mr. Elmontasser** (Libyan Arab Jamahiriya) subscribed to the views expressed by previous speakers and supported the request of Guinea-Bissau.

86. **Ms. Buergo Rodriguez** (Cuba) supported the request of Guinea-Bissau, but thought that the Committee should consider the matter and adopt specific provisions when it came to consider the report of the Committee on Contributions.

87. **Mr. Odaga-Jalomayo** (Uganda) said he thought that the Committee should accede to the request of Guinea-Bissau but without creating a precedent that would run counter to rule 160 of the rules of procedure. He proposed that the Committee should submit to the General Assembly a draft decision which would read: "The General Assembly, without prejudice to Article 19 of the Charter and rule 160 of the rules of procedure of the General Assembly, (a) Decides to grant a temporary waiver for a period of three months beginning [date of adoption] 1998 to Georgia and Guinea-Bissau; (b) Requests the Committee on Contributions to review the cases of Georgia and Guinea-Bissau at its next session."

88. **Mr. Orr** (Canada), supported by **Mr. Thorne** (United Kingdom), supported the Ugandan proposal and expressed the view that it was important to define the procedure to be followed in situations of that kind.

89. **The Chairman** suggested that the Committee should adopt the draft decision proposed by the representative of Uganda and revert to the matter when it came to consider the report of the Committee on Contributions.

90. **Mr. Zhang Wanhai** (China) said that, while he was not against the proposal which had just been made, he hoped that the Committee would wait until the next formal meeting to take a decision.

91. **Mr. Cabral** (Guinea-Bissau) said that, while he respected the position of the Chinese delegation, he nevertheless hoped that the Committee would take a decision immediately.

92. **Mr. Fall** (Senegal) supported the representative of Guinea-Bissau unreservedly and invited the Committee to adopt the compromise solution proposed by the representative of Uganda.

The meeting was suspended at 1.05 p.m. and resumed at 1.10 p.m.

93. **The Chairman** said he took it that the Committee wished to adopt the draft decision which had been read out.

94. *It was so decided.*

95. **Mr. Zhang Wanhai** (China) said that his delegation, which had joined in the consensus, hoped that, in order to avoid further technical difficulties, the Committee would set out the precise rules to be followed in such cases.

96. **Mr. Armitage** (Australia) said that, while his delegation had joined in the consensus, it believed that, notwithstanding the powers invested in the General Assembly, which no one contested, it would be preferable to obtain the advice of the Committee on Contributions. The latter should be invited to define objective criteria.

97. **Mr. Saha** (India) said that the power to take decisions lay with the General Assembly and that the main purpose of the rules of procedure, which could be modified, was to guide the decisions of Member States.

98. **Mr. Cabral** (Guinea-Bissau) expressed warm appreciation to delegations for their decision. As soon as the efforts undertaken to put an end to the conflicts were successful, Guinea-Bissau would be in a better position to discharge its arrears.

99. **Mr. Schlesinger** (Austria), speaking on behalf of the European Union, said it was essential that the Committee should study the arrangements to be made in the future. He agreed with other delegations that the appropriate time to do so would be when the Committee came to consider the report of the Committee on Contributions.

100. **The Chairman** said that the decision would be issued as a document of the Committee and invited the Rapporteur to inform the General Assembly as soon as possible.

The meeting rose at 1.25 p.m.